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NEWS SUMMARY

GENERAL

Easter strike threat to flights

Luton airport air traffic controllers have voted to go on strike for four days over Easter. The action by National and Local Government Officers' Association members in support of their pay claim will hit one of the busiest package holiday air terminals at a peak period. Over 30,000 passengers could be affected by the strike, due to start on Thursday, April 3. Back and Page 7

Rhodesia delay

Britain agreed to delay Rhodesian independence until mid or late April, following requests from Prime Minister Robert Mugabe.

Diplomat meeting

The UN inquiry commission met the three U.S. diplomats held in the Iranian Foreign Ministry during its investigation of grievances against the deposed Shah, the UN disclosed.

Carter victory

President Jimmy Carter and Ronald Reagan won crushing victories in U.S. primaries in Florida, Georgia and Alabama. Page 5

Kennedy riddle

Records of Senator Edward Kennedy's telephone conversations immediately after the accident at Chappaquiddick were disclosed to the court.

Ladbroke setback

Ladbroke Group has failed its latest attempt to win back three London casino licences, but intends to appeal against the High Court refusal to reopen the case. Back Page

EEC passport bid

European Parliament is to urge the Council of Ministers to press for the introduction of a uniform EEC passport. Page 2

Tito: 'no hope'

President Tito's condition has deteriorated, and was described by his doctors as very grave. They ruled out any chance of recovery.

TV film protest

A BBC Nationwide film on a Welsh group which has claimed responsibility for fire-bombing English-owned holiday homes was shown last night, a day earlier than planned. Welsh Minister Nicholas Edwards and other MPs attacked the decision to screen it.

Hostage impasse

Negotiations on the release of hostages held at the Dominican Republic's embassy in Colombia for two weeks have reached stalemate.

Pint-size spies

Irish Republic Veterans' Federation is sending out barium spies to stop landlords bending licensing laws.

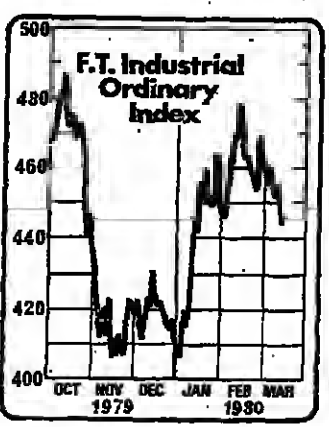
Briefly

Scotland's leading orchestras may be disbanded because of regional grant cuts.
South African golfer Gary Player said he would leave the country if right-wing Cabinet Minister Dr. Andries Treurnicht came to power. South Africa: between backlash and revolt, Page 22
Former boxer who punched his noisy punk rock band neighbours was given a conditional discharge at the Old Bailey.
Dutch woman strangled a deer which attacked her and two other hikers on a heath.

BUSINESS

Equities off 10.7; Wall St. declines

EQUITIES market reflected disappointment at Turner and Newall's profit figures and concern over next Monday's settlement prospects. The FT 30 share index fell 10.7 to 444.8.



the lowest for eight weeks. Gold rallied, the index regaining 12.2 to 310.8.

GILTS were a shade easier, longs losing up to 1 and shorts up to 1/16. The Government Securities index lost 0.1 to 64.08.

WALL STREET fell 13.31 to 813.14 near the close amid fears that President Carter's long-delayed anti-inflation package would be inadequate.

STERLING gained 75 points to close at \$2.2345, its trade-weighted index rising to 72.5 from 72.2. DOLLAR eased slightly, but its index remained at 87.4.

GOLD rose \$19 an ounce to \$357.3 in London.

FRANCO-SOVIET trade rose to over £1.7bn (£1.7bn) to value last year, with French exports rising by 30 per cent. Page 6

KUWAIT is looking for investment participation with oil companies in refinery and petrochemical projects in return for long-term supply agreements. Back Page

HOTPOINT is seeking a court declaration that its products have been treated as "loss leaders" through a special type of pricing simply to attract customers by the Comet retail chain. Back Page

INSTITUTE of Directors is to link up with Tysack and Partners, management consultants, to form a recruitment service for non-executive directors. Back Page; Editorial comment Page 22

NEW COMMERCIAL vehicles registration totalled 25,371 last month, up 12.5 on a year ago, with importers' share of the market rising to 25.62 per cent from 18.99 per cent. Page 7

LORRHO move to compel disclosure of Shell and BP documents presented to an inquiry into Rhodesian sanctions busting has been rejected by the Court of Appeals. Page 8

BRITISH companies are negotiating with East Germany over 14 projects, worth about \$750m, and hope to win a considerable share of contracts. Page 6

COMPANIES

F. W. WOOLWORTH reports a 7.8 per cent rise in taxable profits from £53.1m in 1978 to £57.25m last year, with a £4m improvement in final quarter earnings. Page 27 and Lex, Back Page

BSR, the sound systems and consumer products group, reports taxable profits down to £3.8m last year, against £15.17m a year ago. Page 26 and Lex, Back Page

SEAGRAM, the world's biggest distilling group, reports second-quarter profits down from \$18.4m to \$8.7m (\$3.9m), following foreign exchange losses. Page 28

French press for formal proposals on UK contributions

BY ROBERT MAUTHNER IN PARIS

France yesterday issued a stiff warning that it was not prepared even to discuss the controversial question of Britain's contributions to the EEC Budget at the European summit on March 31, unless the Brussels Commission rapidly submitted formal proposals for a solution.

The warning followed an equally tough statement made on Tuesday night in which the French Government made clear that it would make no concessions to the UK on British lamb exports to France, unless Britain accepted that the Community should extend to lamb the regulations which apply to other agricultural products, such as beef. Lamb has been the only major farm product not covered by the Common Agricultural Policy.

Significantly, the statement did not mention that France had banned imports of British lamb in defiance of an order by the European Court of Justice.

The French are thus stepping up the war of nerves against Britain only two days after the interview given by Mrs. Margaret Thatcher on French television, in which she forcefully explained the UK's reasons for seeking a reduction in its net contribution to the Community budget.

The interview received wide publicity in France, clearly persuading the French Government that a speedy response was needed.

In a communiqué issued after

yesterday's weekly Cabinet meeting, France accused the European Commission of failing to table formal proposals for a solution to Britain's budgetary problem in line with a request from the heads of government of the Nine at their Dublin summit in November last year.

If such proposals were not submitted to member governments in time for them to be thoroughly studied before the next summit, France would refuse to consider them at that meeting.

The communiqué emphasised that in the absence of formal Commission proposals France would refuse to discuss any other proposals which might be made during the summit meeting. In adopting this position the French are ignoring proposals made by the Commission at the beginning of February. These call for greater regional spending in the UK to reduce Britain's burden of payments to the EEC budget. Apparently France does not consider these proposals to have been presented according to the usual formal procedure.

Yesterday's French Cabinet communiqué marked further reinforcement of the intransigent stand taken at a meeting of Ministers on the Common Agricultural Policy the previous evening.

After the meeting a communiqué was issued saying: "No concessions will be made by France to Britain (on lamb imports) as long as the latter country opposes an equitable and effective solution of this subject."

John Wyles writes from Strasbourg: Commission officials were puzzled and surprised by the French Government's declaration. They pointed out that discussion of the Commission's proposals for settling the British budget problem, put forward on February 5, is due to take place in Brussels today.

The proposals will be reviewed by EEC Finance Ministers on Monday and by Foreign Ministers on Tuesday. Commission officials say these discussions make the timing and content of the French announcement difficult to interpret.

ICI cuts capital spending as profitability falls

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL Chemical Industries is to reduce its capital spending over the next few years because of inadequate levels of cash flow and of profitability.

Last year the group authorised the spending of \$552m, worldwide—substantially less than the \$788m that was sanctioned in 1978. Capital spending authorisations for the UK alone amounted to £286m last year compared with £466m in 1978.

ICI's annual report, published yesterday, says forecasts of reduced demand for chemicals were partly responsible for the decision to cut the level of sanctioned investment. But it stresses that the actual sum spent last year—as opposed to the amount sanctioned—was higher than in 1978.

The group spent a total of £760m worldwide in 1979, £432m of it in the UK. In 1978 the figure was £701m, £430m of it in the UK.

Sir Maurice Hodgson, ICI chairman, said yesterday that profit margins generally were still "inadequate". U.S. chemical sales increased from £283m to £317m while trading profits dropped from £68m to £66m.

ICI says exports of its industrial explosives and its pharmaceuticals are hit by the strength of sterling.

The performance of its organic chemicals division improved markedly, but overcapacity prevented the group from increasing prices sufficiently to cover cost rises.

The group is making a strong push to increase its share of the US chemicals market. Last year ICI Americas had a turnover of just under \$1bn but the aim is to increase this to \$2.5bn by 1985. This may be done partly through acquisition.

Sir Maurice said there were opportunities for ICI to build up its strength in the U.S. through purchases.

He also said that, although world output of chemicals rose by 6 per cent last year, prospects for growth were "poor."

Problems in the Middle East were likely to result in "continuing uncertainty and instability in oil supplies and prices."

Details Page 24
Chemical investment Page 8
Brussels action on U.S. fertilisers Back Page

Turner and Newall profits fall

BY BARRY RILEY

TURNER AND NEWALL, the industrial group, disappointed the City yesterday when it announced a sharp fall in pre-tax profits from £39.7m to £27.5m for 1979.

The outpour contrasted with the group's optimism last September when it forecast that the second half of the year would produce somewhat better results than the £18.8m pre-tax profits of the first six months. In fact, the July-December period generated only £3.7m pre-tax.

Shares slumped 15p to 105p on the news, cutting nearly £30m from the company's stock

partially cheap. Government-controlled price of oil and gas in America.

The U.S. cost advantage had already had an impact on ICI's fibre business and, Sir Maurice warned, would soon hit other sectors of the chemical industry. He forecast that plastics would be next on the list and said that imports of plastics from the U.S. were increasing.

Last year ICI's fibre business showed a trading loss of £33m compared with a loss of £12m in 1978.

Trading profits on the group's industrial explosives, organic chemicals and pharmaceuticals production were all down on the figures for 1979 although volume sales were higher in all three sectors.

Sales of industrial explosives rose from £192m in 1978 to £198m last year but trading profit dropped from £22m to £18m. Sales of organic chemicals went from £502m to £519m but trading profits dropped from £21m to £17m. Pharmaceutical sales increased from £283m to £317m while trading profits dropped from £68m to £66m.

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British Steel offers 13% deal

By Christian Tyler, Labour Editor

STEEL UNIONS were believed to have been offered a 13 per cent pay rise as the price of a compromise productivity package provisionally agreed yesterday.

The British Steel Corporation offer is 1 per cent less than the last one, which was based on tougher conditions and was almost certainly unacceptable to the 10 union negotiators.

As the third day of bargaining drew to an end, the unions left the negotiating room at the Corporation's London headquarters and waited for management to consider its next step.

It was clear the talks were reaching breaking point. An offer of less than 14.4 per cent, which the corporation had advertised as a minimum if its terms were accepted, would be greeted with dismay by the steel workers on strike for more than 10 weeks.

The 13 per cent was thought to be split 9 per cent for a national increase and 4 per cent as a minimum from local bonus schemes.

The union negotiators went in looking for about 18 per cent. Steel militants have demanded 20 per cent without strings. British Steel executives were considering whether to ballot on the revised offer, following the limited success with an earlier test of strikers' opinion. This showed a majority in favour of voting on the 14.4 per cent offer.

There is no certainty that a ballot on 13 per cent would settle the issue in the corporation's favour.

If a unilateral ballot were conducted, the unions might refuse to sign the document hammered out. This lists acceptable productivity concessions which the unions would be expected to deliver at national level.

The last major sticking points in the productivity arguments were removed after 22 hours at the bargaining table.

The Steel Industry Management Association, representing 11,000 managers, is negotiating with the corporation on its own pay claim. This has not been quantified, but the association is talking about 17 per cent on basic salaries to match inflation, with more from bonus schemes.

Pickets arrested, Page 11

£ in New York

Spot 1 mth 89.8860-8270 \$2.2185-2195
1 mth 0.05 dis nil nil-0.05 dis
3 mth 0.05-0.10 prem 0.10-0.15 prem
12 mth 0.30-0.16 dis 0.30-0.50 4y

Safety fears grow after tanker sinks

BY WILLIAM HALL AND JOHN MOORE

GROWING CONCERN about the safety of very large crude carriers has increased following the sinking of the Maria Alejandra, the 236,000 dead-weight ton vessel which exploded off the West African coast at midday on Tuesday.

The ship, whose loss was not known till early yesterday, is the eighth VLCC to sink in the last 15 months.

There are only 715 vessels of more than 200,000 dwt out of the world total of 71,000 ships. Until recently they were considered among the safest because they were newer and carried more up-to-date equipment.

to assess the total liability which they would have to meet. The eight ships lost in the past 15 months have gone down in various circumstances. The most common cause has been an explosion, often associated with tank cleaning. But the Aegean Capital and the Atlantic Empress collided and cost world insurance markets more than \$120m.

The loss of the Amoco Cadiz in 1978 first focused international attention on the serious safety and pollution problems associated with VLCCs. Considerable work has been done since to improve the fail-safe steering systems and the provision of stronger cables and anchors to stop ships drifting aground.

Rescue

The cause of the explosion about the Maria Alejandra is not known. The disaster, in which 36 people are thought to have died, is especially worrying since the ship was only three years old and had the latest equipment, such as inert gas systems, for preventing explosions.

It is reported to have sunk in less than a minute, 100 miles off the Mauritanian coast. Of the 36 crew and seven passengers aboard, rescue ships have picked up only seven survivors and two bodies.

The tanker was owned by Maroil S.A., a Madrid based group, and was on charter to Cepsa, another Madrid company. It was bound for the Gulf to pick up a consignment of oil when it exploded.

The insured value of the hull of the vessel, built in 1977, was \$20m. The insurance had been arranged in Spain, but there has been substantial re-insurance cover arranged in the London and Lloyd's insurance market.

Last night London underwriters, and Willis Faber and Dumas, the brokers who arranged the re-insurance programme, were still attempting



Map showing the location of the Maria Alejandra tanker sinking off the West African coast, near Mauritania and Mali.

Important

But many of the accidents have been the result of human error, which is now causing most concern.

Mr. C. P. Srivastava, the secretary-general of IMCO, the UN body looking after safety at sea, said in London yesterday that for a long time in the 1970s there was a feeling that if ships were filled up with equipment all would be well. But in fact this was not the case: far and away the most important factor was the human element.

MAJOR SHIPPING LOSSES (vessels over 200,000 dwt)

Year	Vessel	Tonnage	Loss
1969	Marissa	204,005	Explosion
1973	Golden Patricia	216,326	Explosion
1975	Berge Isara	227,556	Explosion
1976	Olympic Stravery	227,599	Ran aground
1978	Amoco Cadiz	233,690	Ran aground
	Andros Patria	218,605	Explosion
1979	Atlas Titan	212,751	Fire
	Aegean Captain	210,257	Collision
	Atlantic Empress	292,664	Collision
	Berge Vanga	227,912	Explosion
	Energy Determination	321,186	Explosion
1980	Salem	215,000	Explosion
	Maria Alejandra	236,000	Explosion

THE PALACE, THE CHELSEA FLOWER SHOW, HARRODS AND BELGRAVIA HAVE MOVED NEARER TO KNIGHT FRANK & RUTLEY

We have just opened a new office in Knightsbridge for our London Residential business. We are calling this office 'Knight Frank & Rutley, Knightsbridge' and it will be solely concerned with the sale and purchase of houses and flats in the London area. We are at 152 Sloane Street, just up the road from Sloane Square. Very central. Very convenient.

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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS	FALLS
BTR 324 + 8	Grand Metropolitan 127 - 5
Channel Tunnel 180 + 15	GKN 270 - 5
De La Rue 352 + 27	Hepworth (J.) 69 - 4
Fairview Estates 242 + 7	ICI 362 - 8
Mills & Allen Intl 316 + 13	LWT A 123 - 13
More O'Farrell 240 + 20	Ladbroke 143 - 4
Welker (J.O.) 118 + 14	Lister 94 - 4
Stevens (UK) 330 + 20	Petters Stores 94 - 6
Elvaco 358 + 64	Rolls Royce 60 - 3 1/2
Durban Deep 113 + 13	Style Shoes 160 - 10
Impala Plat. 286 + 18	Tube Invs. 288 - 8
Lennard Oil 75 + 15	Turner and Newall 109 - 18
Rustenburg Plat. 252 + 18	Woodward (H.) 44 - 4
St Helena 215K + 1	BP 354 - 5
Western Deep 216K + 1	Leitchard Explan. 325 - 18
	Pack Copper 168 - 20
	Peko-Walsend 410 - 25

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Crossword	20	Marketing	12	Technical	15	Secur	
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EUROPEAN NEWS

Swedish unions seek 11.3% as inflation rises

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

PROBLEMS ON the Swedish labour front are growing as the inflation rate accelerates. Lands Organisation (LO), the blue-collar workers' union federation, has tabled a claim for an 11.3 per cent wage rise and its member-unions have given notice that current agreements will expire on March 21.

The Statistical Central Bureau yesterday reported a 5.1 per cent increase in the consumer price index between the middle of December and the middle of February, while the State price and cartel board recorded a 4 per cent general price rise in January and February.

These indices usually show larger increases in January, but the February figures indicate that the inflation rate has moved up and will reach 13 per cent by the year.

The national wages settlement between the unions and employers formally expired on October 31, but was automatically extended each week until the unions gave notice. So far, the employers' association has not budged from its stand that no increase in wages is possible this year.

It estimates that the 11.3 per cent demanded by the LO, with the 1.6 per cent increase negotiated at the end of last year to compensate for price increases, the 1 per cent rise in employers' payroll charges, and the expected wage-drift of over 3 per cent, would raise industry's labour costs by 11-18 per cent.

But the Government's room for manoeuvre is limited by the large budget deficit and by its one-vote majority in the Riksdag (Parliament).

The LO could also be tempted to exploit the incomes talks to bring down the Government and open the way for a return to power of the Social Democrats.

Under the Government's proposal, each employee would be limited to 100 hours of overtime a year, and overtime worked would have to be compensated for by an equal amount of time off in normal hours.

This kind of arrangement has been canvassed by some European trade unionists as an effective method of reducing overtime, because it restricts employers' opportunities for using systematic overtime. If time off is given instead of the high premium rates offered for overtime in many countries, it can also reduce a worker's financial incentive to put in extra hours.

Many unions are convinced that cuts in overtime are crucial to the general push for reduced working time. Overtime working can often wipe out cuts in nominal working hours.

Mr. Aukens' proposal follows the recommendations of an official committee which claimed that limiting overtime could provide new jobs.

But employers argued that in industries where overtime was prevalent there was no extra available labour, and in industries where there was unemployment there was no overtime.

They also said a ban on overtime would be so inflexible that companies would be deterred from accepting orders

parallel, because of rough weather, and the pollution risk to the area's rich fish grounds, off northern Norway, has been questioned by fishermen and politicians, in a last-minute attempt to delay parliamentary approval of the scheme.

The Storting (Parliament) is due to debate the Government's plans today, and is expected to confirm its approval of exploration, to start in May, on three concessions awarded earlier this year.

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Denmark moves to limit overtime

By Hilary Barnes in Copenhagen

THE DANISH Government announced yesterday that it will shortly introduce legislation aimed at limiting overtime. If passed, the law could have significant implications for the debate in Western Europe over how far cuts in working time help to combat unemployment.

Mr. Svend Auken, Minister of Labour in the minority Social Democrat Government, said that Denmark put in about 100m hours overtime a year, equal to 50,000 jobs.

If overtime restrictions created only 10,000 new jobs, they would still help to reduce unemployment, now running at about 150,000, or 7 per cent of the labour force, he said. The total of those without jobs was expected to rise to about 200,000 by the end of the year.

The Danish employers' federation, however, believes the measure would fall to create jobs, partly because dispensations would have to be allowed. Employers have expressed the fear that cutting out overtime could actually reduce employment.

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EMS: stabilising force in a turbulent year

BY DAVID MARSH

THE EUROPEAN monetary system, one year old today, has so far borne out neither the principal hopes nor the strongest fears which were associated with its creation.

Inflation rates within the EEC have accelerated dramatically, instead of converging in the direction of West German-style stability, as the architects of the scheme had hoped. On the other hand, the EMS has indeed functioned so far very much like the zone of exchange rate stability it was set up to be.

The regular currency flare-ups predicted by the pessimists have not materialised. The two EMS realignments last autumn—one major, one minor—were carried out without undue fuss. And last week's report by the European Commission showed that, during 1979, EEC exchange rates were more stable than in any other year since 1972.

The scheme's relatively trouble-free operation after a year of turbulence on the international political and economic stage owes much to an increasing acceptance within the EEC of what one European central banker calls the "rules of the game." These set down that EMS members have no option but to follow in a highly co-ordinated way the tough monetary policies in the most stability-orientated EEC country, West Germany, even though such policies might be highly unpalatable when

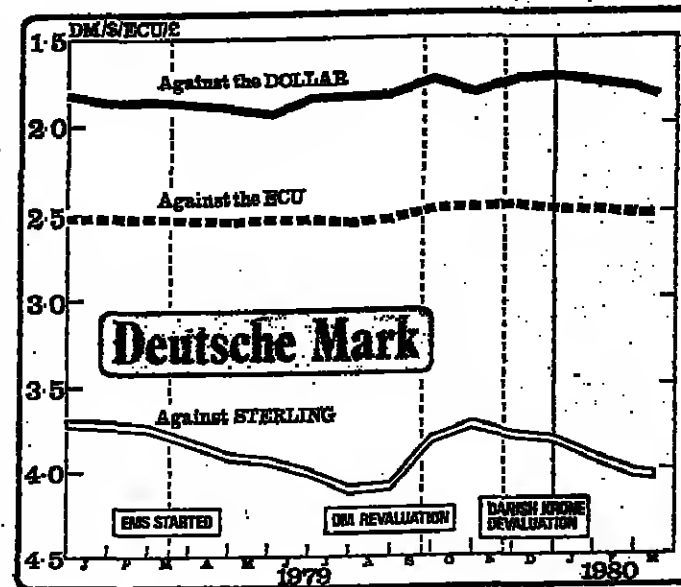
seen purely from the domestic point of view.

The "rules" inevitably bring a loss of autonomy in monetary policies. This is something that Britain, in particular, has to consider very carefully now that the question of sterling's full membership of the EMS is again under discussion in Whitehall.

Internationally, countries are putting far more emphasis on tough monetary policies and firm exchange rates as integral components of the fight against inflation.

Within the EMS, Belgium and Denmark, in particular, the two most consistently weak members of the scheme—have been forced to push up interest rates over the past year to well in excess of their inflation rates in order to maintain exchange rate stability against the Deutsche Mark.

The rules may get even tougher this year. After more than a decade of piling up current account surpluses, West Germany has been in deficit every month since last May, and an unprecedented current account shortfall of DM 20bn (£5bn) is forecast for this year. The Bundesbank has been making abundantly clear over the past few months that it regards high West German interest rates as essential not only to help attack rising inflation but also to attract capital



inflows to finance the deficit.

So it would not be surprising if the Bundesbank once again raised its discount and Lombard rates within the next few weeks in response to the firmness of the dollar and the sharp rise in U.S. interest rates. If that happened, the weaker members of the EMS would almost certainly have to follow.

The West German deficit clearly removes some of the basic upward pressure on the D-Mark which was the source of

constant exchange rate upbeats during the years of the EMS's predecessor, the European currency snake.

As the chart shows, the D-Mark has been remarkably steady over the past 12 months against the composite currency benchmark of the EMS—the European currency unit (ECU).

There are, however, three main problem areas: ● With EEC inflation rates widely divergent between 22 per cent in Italy, and 5 to 6

per cent for West Germany, Belgium and Holland, the past 12 months of relative foreign exchange stability have in fact resulted in the low-inflation currencies suffering severe devaluations in real terms.

Thus pressure for exchange rate adjustments could be building up just as it did in the old days of fixed rates under the Bretton Woods system.

● The Bundesbank's intervention to prop up the D-Mark against the dollar, if continued, could put strain on the weaker EMS currencies by helping to depress them in terms of the D-Mark.

● Finally, EEC governments are regarding with mixed feelings Britain's re-consideration of EMS membership. Sterling, in its new-found role of a petro-currency backed by a strongly monetarist government, has been the high-flier of the foreign exchanges over the past 12 months. If it had been a full member of the EMS, it would long ago have gone outside its limits set under the scheme.

With the UK inflation rate well above the international average, the pound of course is also highly susceptible to a downward correction. Sterling's volatility is one reason why the British Treasury still has considerable misgivings about entering the scheme. Admission of the petro-pound might not at all be in the interests of another year of EMS stability.

Italy seeks introduction of European passport

BY WALTER ELLIS IN STRASBURG

ITALY, which currently holds the presidency of the EEC Council of Ministers, is to press for the early introduction of a uniform European passport.

Sig. Giuseppe Zamberletti, the Italian Secretary of State for Foreign Affairs, told the European Parliament yesterday that Rome would spare no effort to bring the matter to the Council's attention. A uniform passport for Community citizens would be a milestone on the road to a new Europe and Italy hoped that agreement could be reached "very soon."

The Parliament demonstrated considerable enthusiasm and passed a resolution urging the Council to take a positive decision as quickly as possible. The only significant opposition came from British Socialist members and

from Danish representatives, the British Conservatives adopting a much more "European" approach than their own Government in London.

Proposals for a common passport have been current in Europe since the Paris summit of December, 1974. But, in addition to countering objections on the theme of national sovereignty, supporters of the projected document have had to cope with disagreements over its colour, the language to be used, and the layout of its cover.

Now, most of these disputes have been resolved. It has been established that the Burgundy-coloured passport should not be a Brussels-administered device but a national one.

Only the format would be common, so that citizens could be identified as Community members and also as citizens of their own historic nations.

Britain remains sceptical, however, and is pushing instead for a machine-readable passport, to include mention of EEC status.

West German electrical industry hoping for expansion of 5%

BY KEVIN DONE IN FRANKFURT

WEST GERMANY'S electrical and electronics industry, one of the most important manufacturing sectors in the Federal Republic, is expecting expansion of 4 to 5 per cent in real terms this year. The major impetus for growth is expected to come from continuing high demand for capital goods and equipment.

Last year the industry pushed its total sales to DM99.3bn (£24.7bn), a real growth of 4 per cent compared with 1978.

As a result of weak demand in the first half of the year the industry failed to grow as fast as it had hoped in 1979 and the 3.5 per cent real growth in production fell appreciably below the average for West German manufacturing industry of 5.1 per cent.

The development of the electrical sector was held back by the decline in sales of consumer goods, which fell 4 per cent below the level achieved in 1978.

Manufacturers of television sets, radios and stereo equipment were particularly hard hit. Their sales fell by just over 8

per cent and the value of new orders taken during the year completed the dismal picture with a drop of 8.9 per cent.

Imports now account for more than a third of sales of television sets and radios in the West German market, while nearly 60 per cent of the market for stereo systems is now in the hands of foreign suppliers. Importers are also taking about 40 per cent of all refrigerators sold and about 15 per cent of the washing machine market.

The imbalance of trade between Japan and West Germany in television sets, radios and stereos has now reached staggering proportions. West German exports to Japan last year in this sector totalled DM 3.8m, while equivalent Japanese goods entering the West German market reached a value of DM 1.2bn.

Overall the electrical and electronics industry still has a healthy balance of trade surplus, however, with exports last year totalling DM 35.2bn and imports DM 22.4bn.

Imports showed by far the faster rate of growth, however, rising by 14.5 per cent in real terms compared with an increase in exports of 2.9 per cent in real terms and 4.6 per cent in value.

Imports account for 34 per cent of the West German electrical and electronics market and there was a particularly sharp increase last year in imports of telecommunications equipment (12.1 per cent), electronics components (11.4 per cent) and household appliances (7.7 per cent).

The West German industry's production picked up significantly in the second half of the year — increased order levels take some four to six months to be translated into higher output — and by the end of 1979 the sector was working at 81 per cent of capacity, the best level since 1975.

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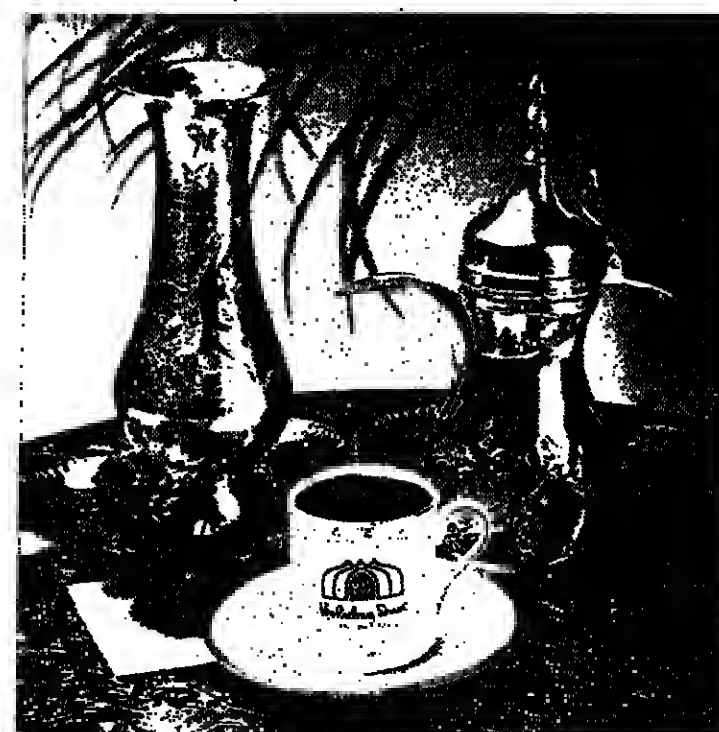
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How the French Government bought change in the steel industry

BY TERRY DODSWORTH IN PARIS

WHEN FRANCE'S steelworkers took to the streets last year in sporadic violent protest against the draconian government-backed cuts in the industry, there were widespread forecasts of imminent revolution. But the storm never broke. Bit by bit during the five months of exhausting negotiations, the protesters were bought off until today only a few isolated pockets of dissent remain.

The price of peace was high, probably higher than the Government had first bargained for. But there was never any question of the Government's commitment to finding a settlement.

In theory, the restructuring of the industry which was in motion in mid-1978 left in private hands the two big companies which emerged from the process. In practice, as every one recognises, the Government was intimately concerned in seeing the plan through. The steel workers, better organised than most industrial groups, could have done immense damage to labour relations in general if the slimming plan had misfired. The Government also seized

on the steel industry problems to hammer home one of its main industrial messages—that the 19th century industries must be streamlined in proportion to the needs of a sophisticated economy, and the spare resources re-directed into 20th century technology.

Thus the groundwork for the 21,000 redundancy programme was laid carefully at the end of 1978 with the creation of a special short-term industrial adaptation fund, the FSAL, which was designed specifically to aid this transition.

The FSAL was endowed with FFrs 3bn (£320m), all of which was aimed at the regions suffering from obsolescent industries: the steel-making areas of Lorraine and the North, and the shipbuilding communities in the West and round Marseilles.

The concept behind the fund was to give specially attractive investment allowances—a grant of 25 per cent against investments, plus a subordinated loan of 25 per cent at special 3 per cent rate for the first five years—as good as any in Europe. These funds are to be injected

during the crisis period while these areas are going through the most difficult period of adjustment.

Under the terms of the FSAL, a company must create at least 50 jobs and invest FFrs 5m (£555,000) to benefit. Clearly, such a scheme has limited application, so a whole arsenal of other investment allowances is also available in the steel regions. They include:

- The regional development premium. This gives an FFrs 25,000 grant for each job created in a three-year period by companies employing at least ten workers and investing more than FFrs 300,000. The grant cannot, however, exceed 25 per cent of the investment.

- Loans from the economic and social development fund. These give soft rates related to the prevailing lending climate and to the particular demands of the company concerned.

- The employment support fund, which supplies subordinated loans to small companies which cannot benefit from the FSAL.

- A regional grant for new

companies. This helps fund start-up costs for businesses which promise to employ at least six people within three years.

- Exoneration from local property taxes. A number of regional authorities are waiving

the *taxe professionnelle*, the main local tax on business, over a period of five years for new companies.

- Building aids. Some local authorities are building advance factories which are then rented to new businesses at much reduced rates for two years, after which the company can buy the property.

the *taxe professionnelle*, the main local tax on business, over a period of five years for new companies.

BRUSSELS — European Community steel plants will continue to work at just under two-thirds capacity in the second quarter of 1980, the EEC Commission said yesterday. Reuter reports. It forecast an output of 34.5m tonnes in the three-month period, the same as in

January-March, and slightly down on last year's figure for the same period, 35.3m tonnes.

The Commission said the industry was suffering from the British steel strike, and from unfavourable export prospects, especially to the U.S.

Aids from the steel companies. Under this scheme, the steel companies themselves sometimes help finance new businesses by taking an equity stake.

This battery of aids has undoubtedly begun to attract

new jobs into the steelmaking areas—even if, to begin with, he did not bring with him the glamour of his two predecessors, Dr. Carli, and before him Sig. Giovanni Agnelli, president of Fiat.

Sig. Merloni, who is in his 40s, is one of a younger generation of Italian industrialists. As a representative of a successful company based in Ancona on the Adriatic coast, he would inevitably be seen as a symbol of industry in central and southern Italy, away from its traditional northern strongholds of Piedmont and Lombardy.

Second, there were rivalries between various regional associations, particularly in the north. Also possible contenders were reluctant to give up managing their companies for the dubious rewards of a political post, over whose real effectiveness there has been some recent disillusion.

If Sig. Merloni is selected, he would meet most of the requirements—even if, to begin with, he did not bring with him the glamour of his two predecessors, Dr. Carli, and before him Sig. Giovanni Agnelli, president of Fiat.

Sig. Merloni, who is in his 40s, is one of a younger generation of Italian industrialists. As a representative of a successful company based in Ancona on the Adriatic coast, he would inevitably be seen as a symbol of industry in central and southern Italy, away from its traditional northern strongholds of Piedmont and Lombardy.

The first of these is a special FFrs 50,000 (£5,300) grant for any steelworker wanting to leave the industry for good. This is an additional grant on top of normal redundancy hand-outs, which guarantee workers sliding scale payments starting at 75 per cent of their last pay during the first year after being turned out of a job. For foreign workers, who make up a sizeable proportion of the labour force, particularly in Lorraine, there is an extra FFrs 10,000 grant.

About 5,000 workers have taken advantage of this scheme.

Secondly, the Government is financing a vast number of early retirements. All the over-55s in the industry are being retired on 70 per cent of their previous salary, while a large number of the workers aged between 50 and 55 (those in particularly demanding jobs) are being retired on 75 per cent of former salary. A monthly minimum of FFrs 2,400 was set for these payments.

Somo 12,000-13,500 men fall into these two retirement categories.

Thirdly, there are detailed provisions for retraining. The 4,000 or so workers in this group have the right to refuse two job offers, but on the third refusal their case is looked at by a special committee and they can be made redundant. If the new job pays less, the former employer makes up between 60 per cent and 80 per cent of the difference, but if the new pay is 15 per cent lower than the former salary, they have the right to an additional FFrs 10,000 grant.

The redundancy programme is scheduled to extend up to June 1981, but already more than half the 21,000 steelworkers who are leaving the industry have gone. Another 16,000 departed in the 1977-78 period when there was a similar, though less generous, reorganisation scheme. The net result will be a workforce slimmer to about 109,000 in an industry in which effective capacity is expected to have reduced from 32m tonnes of steel a year to 24m tonnes.

"Some of the costs of the

reorganisation will be borne by the EEC. In the 1978-79 period, the Community stumped up some FFrs 873m (£93m) in investment loans, plus some additional funds for retraining, although these are difficult to quantify. But the main burden lands squarely on the shoulders of the French taxpayer.

He is effectively underwriting the reorganisation on three counts: the FFrs 3bn industrial adaptation fund; a calculated FFrs 10bn which, during the next five years, will be spent on cleaning up the overstretched steel companies' balance sheets; and another estimated FFrs 7bn for the social measures. That makes a total of FFrs 20bn (£2.15bn), a sum equal to about half of the current annual budget deficit.

There are many critics of Government policy who think it was too high a price to pay, some trade unionists still protest that it was too low. The Government obviously thinks that it was the necessary cost for cauterising the worst running sore in the French economy.

SIR fine reports contested

By Paul Betts in Rome

ITALY'S troubled chemicals and synthetic fibres group, SIR, yesterday claimed that there were no grounds for the company being fined \$260m (£117m) under the EEC's two-year-old fibres cartel agreement. According to previous reports, the fibres industry restructuring agreement, currently being scrutinised by the European Commission, provides the legal basis for the fine.

SIR said yesterday that its fibres operations were in line with Italian Government and EEC policies for the sector. Moreover, it claimed the reports suggesting SIR had some \$130m-worth of machinery representing excess capacity were "groundless" in that "this machinery has never been mounted."

CONFINDUSTRIA'S SEARCH FOR PRESIDENT

Merloni may be new head of 'Italian CBI'

BY RUPERT CORNWELL IN ROME

A PROTRACTED, and at times embarrassingly difficult search by Confindustria—the national association of Italian private employers and the equivalent of the British CBI—to find a replacement for Dr. Guido Carli, the outgoing president, may at last be drawing to a close.

The apparent choice of a new team of "wise men," specifically picked to sound out a generally acceptable successor to the former Bank of Italy governor, is Sig. Vittorio Merloni, managing director of the Merloni construction and household electrical group.

New candidate

His candidacy only emerged this week, four months after the search began. Such prominent figures of Italian industry as Sig. Carlo de Benedetti, managing director of Olivetti, and Sig.

Walter Mandelli, head of Federmecanica, have briefly appeared as front-runners, only to drop back again.

It is still possible that a last-minute surprise may be in store. But the closeness of next week's deadline, when Confindustria's ruling body is to ratify the choice, and the audible relief all round that a satisfactory compromise at last seems to have been found, make this unlikely.

The new president is due to be installed formally for a two-year term at Confindustria's full annual meeting in May.

There have been several reasons for the delay in finding someone to take on, at such a delicate moment, for the economy, the job of spokesman for private Italian industry in negotiations with the unions and Government.

First, the range was narrowed by the general insistence that

the new president, unlike Dr. Carli, must be drawn directly from manufacturing industry, with experience of its day-to-day problems.

Regional rivalries

Second, there were rivalries between various regional associations, particularly in the north. Also possible contenders were reluctant to give up managing their companies for the dubious rewards of a political post, over whose real effectiveness there has been some recent disillusion.

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would meet most of the requirements—even if, to begin with, he did not bring with him the glamour of his two predecessors, Dr. Carli, and before him Sig. Giovanni Agnelli, president of Fiat.

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Dr. Carli: search for successor ending.

West has biggest monthly price rise in 6 years

BY DAVID WHITE IN PARIS

WESTERN industrialised countries suffered their biggest monthly price rise for almost six years in January, according to figures from the Organisation for Economic Co-operation and Development.

The average January increase of 1.5 per cent was equal to the record set in February 1974, during the first oil crisis. It compared with a 0.9 per cent rise in December.

However, the year-on-year rate was still running about two percentage points below the peak reached in autumn 1974. The rise since January last year

was 12.7 per cent. But the annual rate calculated on the basis of the previous six months was a fraction lower, at 12.5 per cent.

Energy prices played a big part in the sharp upward movement, but other commodities also made a substantial contribution. Food prices rose faster than average, partly for seasonal reasons.

Because of the general nature of oil and commodity price increases, the OECD said, the spread-up of inflation was widespread among its 24-member countries.

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OVERSEAS NEWS

Zia seeks Moslem aid for arms

BY DAVID SUCHAN IN WASHINGTON

PAKISTAN HAS rejected offers of military assistance from the U.S. but is expected to purchase U.S. and western supplied arms with funds it is attempting to raise in Saudi Arabia and other Moslem countries.

This emerged yesterday when Mr. Zbigniew Brzezinski, President Carter's national security adviser, denied "one-sided and oversimplified" press reports that Pakistan had rejected American aid out of hand.

He said that President Zia-ul-Haq was keen to accept economic assistance and a reaffirmation by Washington of its 1980 security agreement with

Pakistan. But the U.S. fully agreed that Pakistan's first line of security should lie with its fellow Moslem countries.

The rejection of military aid is not seen as reflecting any further deterioration in U.S.-Pakistan relations. In fact Mr. Brzezinski, who travelled to Islamabad last month, said Washington quite accepted that Pakistan did not want "an up-front" military relationship with the U.S.

Military aid from the Moslem world would give the Pakistanis "more flexibility," Mr. Brzezinski said. He was presumably referring to restrictions that the U.S. has long placed on the use

of the arms it finances by Pakistan against India.

State Department officials also noted that Pakistan did not want to pay the "near market" interest rates on U.S. military sales credits and that it could probably get money cheaper from Saudi Arabia and Gulf states.

The Pakistanis have held talks with the Saudis recently on this, but no one in Washington appears to be privy to the details.

The Carter Administration's efforts to put together an economic aid package for Pakistan—\$200m over an 18-month period—had originally

been suggested—had been "complicated" by the current U.S. budget review, Mr. Brzezinski admitted.

But he claimed some success in getting U.S. allies to help. Last week Chancellor Helmut Schmidt of West Germany promised a doubling of aid, mainly by temporarily relieving Pakistan of some of its debt repayments.

Mr. Brzezinski said that the Pakistanis had been under the misapprehension that they had to take the total \$400m package of U.S. economic and military aid which the Carter Administration proposed in January, as a whole or not at all.

Balanced team to govern Thailand

By Richard Nations in Bangkok

THAILAND'S new Prime Minister, General Prem Tinsulanonda yesterday announced the formation of the most balanced Cabinet the country has seen for many years.

Although most Thai still consider political stability too much to hope for, the new Government offers the best chance in well over a decade to square the Thai political triangle surrounding the monarchy, the military and the democratically elected politicians.

As army commander-in-chief the new Prime Minister is a military strongman. He also clearly enjoys the King's favour. By bringing into his Cabinet the three major opposition parties—the Social Action Party, Chart Thai and the Democrat Party—Prem has also assured himself of a majority of at least 156 seats in the elected Lower House of 301.

The new appointments also secure talent where it is most needed in the crucial economic portfolios. The deputy Prime Minister, in charge of financial affairs, is Boonchu Rajarathien, president of the Bangkok Bank and deputy leader of the largest elected political party, Social Action.

The Minister of Finance is a Boonchu Protégé and former Under Secretary of State for Finance, Dr. Amnuay Veerawan.

As Finance Minister in the mid-1970s, Boonchu is credited with most of the reforms which marked the country's progressive, if turbulent, democratic period. He is expected to pursue a similar programme to shift credit facilities and the terms of trade in favour of farmers.

Boonchu also initiated Thailand's first commercial loans abroad, set up the Stock Exchange and attempted to restrict family commercial monopolies. As a leading figure among Thailand's powerful commercial banks, he is expected to carry the weight necessary to push Government reforms past the private sector resistance.

The Foreign Affairs portfolio remains in the hands of Air Marshal Sithi Savetsila, a close associate of Gen. Kriangsak, the former Prime Minister. The country's foreign policy is expected to remain unchanged, although Thawat Koman, a former Foreign Minister and leader of the Democrat Party, is now Deputy Prime Minister in charge of foreign affairs. Many diplomats expect him to take a much more rigid line on refugees.

Prem is not expected to face much opposition from within the military. The group of army officers which dominates the appointed Senate has its weight behind the new Prime Minister.

The men around Mugabe

Mr. Robert Mugabe's Cabinet, announced on Tuesday, reflects the Zimbabwe Prime Minister's determination to have a broad-based Government of reconciliation. The Cabinet is a mix of veteran nationalists and younger university-educated men. More than three quarters of the new Ministers and deputy Ministers have university degrees and at least half the black Cabinet members have spent long periods in jail for nationalist activities over the past 20 years. Some of the principal figures are:



Mr. Joshua Nkomo: His massive figure has been a landmark in Rhodesian politics for nearly 30 years. Leader of the Patriotic Front, which won 20 seats, he hoped to break out of his Matabeleland stronghold and win national support. Although he failed, he remains essential to the broad-based administration. He refused the figure-head position of President, determined to remain a working politician. His ministry could affect the lives of most of the 7m blacks, as it involves administering the tribal trust lands. The police will also come under this portfolio.



Mr. David Smith: One of two white ministers, Mr. Smith, 58, becomes Minister of Commerce and Industry. A bluff, relaxed farmer, Mr. Smith served for more than ten years in Mr. Ian Smith's Government as Agriculture and then Finance Minister. He was born in Scotland, and still retains a strong Scots burr. He went to Rhodesia in 1946 as a farm assistant, and now runs one of the most successful farming enterprises in the Mazoe Valley, north-west of Salisbury. In recent years he became increasingly critical in private of Mr. Ian Smith's approach to black majority rule.



Mr. Edgar Tekere: appointed Minister of Manpower Planning and Development. Like many government members he spent 10 years in detention. Mr. Tekere, 43, was born near the eastern border town of Umtali, son of an Anglican priest. After a mission education, he moved to Salisbury and was soon an active nationalist. A genial man, he has a reputation as a tough member of ZANU-PF's Central Committee. He is said to have accompanied Mr. Mugabe into Mozambique in ministry will be able to draw on several thousand black university graduates.

Dr. Bernard Chidzero: widely tipped to become Minister of Economic Planning and Development, is now deputy secretary-general of the United Nations Commission on Trade and Development. Dr. Chidzero, 53, probably the most distinguished exiled black Zimbabwean, has degrees from South African and Canadian universities and 20 years' service with the UN and its associated bodies, like the Economic Commission for Africa. His appointment has not been confirmed since he must first be formally released from his UN post.

Mr. Mambo Nyagumbo: takes the Mines portfolio. He has little formal education and is an old-style nationalist and member of ZANU since 1963 has spent nearly 19 of the last 21 years in detention. Born in Rusape in eastern Rhodesia, his diffidence and politeness conceals a passionate belief in nationalist ideals of equality. Surprisingly unimpressed by his years in jail—he was released finally only in November, just before Lord Soames arrived. Mr. Nyagumbo, 56, is likely to want to move speedily towards fulfilling the manifesto pledge to improve the conditions and skills of mine workers.

Mr. Enos Nkala: His appointment as Finance Minister has alarmed the business community, most of whom know him only through his outspoken comments during the election. Opinions vary as to whether he will become more pragmatic when faced with the complexities of finance. He joined the nationalist movement in the late 1960s and then spent more than 15 years in detention. He failed to win a parliamentary seat, and is to be made a senator. He spent his early years working as a book-keeper, being elected the party's treasurer-general at its only congress in 1964.

Dr. Sidney Sekeramayi: Minister of Lands, Resettlement and Rural Development. No ministry faces a greater challenge. Land and associated issues have always been at the heart of Rhodesian politics, while the seven-year guerrilla war saw at least 250,000 refugees flee to neighbouring states, and as many leave the countryside for the comparative security of the towns. Mr. Sekeramayi, 36, comes from a peasant family. In 1961 he was expelled from secondary school for political activities, but managed to win a university place in Sweden, where he studied medicine. He ended his postgraduate work in Britain in 1977, when he went to Mozambique.

Mr. Dennis Norman: Minister of Agriculture. He is a respected maize and cattle farmer, and has risen to the top of the agricultural hierarchy. Born in Britain, he worked on the family farm in Oxfordshire for five years before emigrating to Rhodesia in 1953 to work as a farm assistant. He served on a succession of agriculture committees throughout the 1960s and 1970s, and in July 1978 was elected president of the Rhodesian National Farmers' Union, now the Commercial Farmers Union. Mr. Norman, 40, heads a major ministry—over 80 per cent of the population earns its living directly off the land.

Mr. Simon Mzenda: Deputy Prime Minister for Foreign Affairs. He is also deputy president of the ZANU-PF, and is one of the most popular nationalists. An amiable man in his mid-50s, he belongs to the important Karanga group of the Shona-speaking majority. A carpenter and a unionist from a peasant family he remains "a man of the people." A member of the central committee and a trusted friend of Mr. Mugabe, he is expected to take a level-headed approach to foreign policy, whose keynote is non-alignment, although relations with China and Romania will be important, as will those among Western powers.

Bomb attack on Chamoun

BY OUR BEIRUT CORRESPONDENT

AN ATTEMPT on the life of Mr. Camille Chamoun, leader of the National Liberal Party and Lebanon's foremost Christian Maronite leader, could seriously damage efforts by President Elias Sarkis to bring about national agreement on the country's future.

Mr. Chamoun escaped unscathed when a booby-trapped car exploded as his own car was passing, in the Christian quarter of Dora in East Beirut, yesterday, according to the state-controlled Radio Lebanon.

One of his bodyguards was killed and three other people

were wounded. Two weeks ago the daughter of Mr. Bashir Gemayel, military chief of the Phalangist party, was killed in East Beirut as a result of an explosion also triggered off by remote control.

That killing was widely attributed to the clan of ex-President Suleiman Franjeh against which the Phalangists and the Gemayel family, in particular, have had a running vendetta since last summer.

Both the Chamoun faction and the Phalangists have been denounced by Syria for alleged collaboration with Israel.

Shah's return still sought

BY SIMON HENDERSON IN TEHRAN

THE SECRETARY of Iran's Revolutionary Council and one of the country's most important religious politicians yesterday declared that the release of the 50 U.S. hostages still depended on the return of the Shah.

But Ayatollah Dr. Mohammed Beheshti insisted that a way could perhaps be found for the United Nations special commission investigating the Shah's rule to continue its activities.

Ayatollah Beheshti is one of the principal rivals of President Abol Hassan Bani-Sadr, and his words—effectively a challenge to the President, who has tried to separate the issues—indicate

the strength of his position in the divided Revolutionary Council.

In parliamentary elections tomorrow President Bani-Sadr's Congress of the Islamic Revolution grouping is challenged principally by Dr. Beheshti's Islamic Republican Party. Ayatollah Khomeini has said it is for the resulting Parliament to decide on the fate of the hostages.

At the moment a clear-cut result is not expected, partly because of confusing election procedures and partly because of the imprecision of party discipline.



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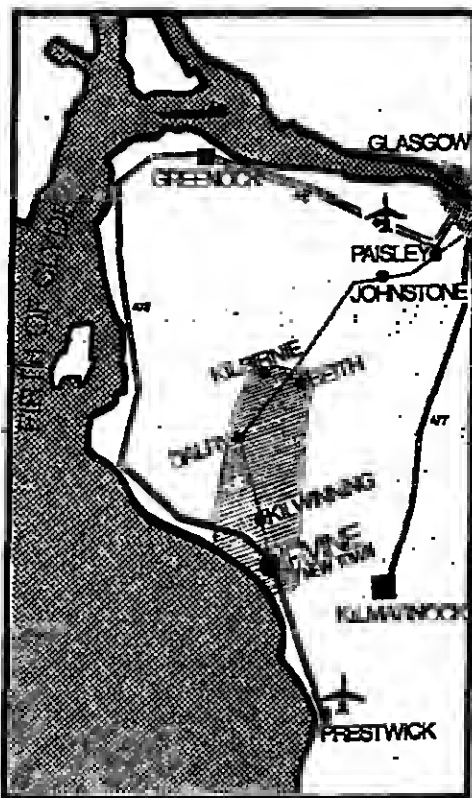
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DELTA IS READY WHEN YOU ARE

U.S. condemns Israeli land takeover

BY DAVID BUCHAN IN WASHINGTON

THE CONTROVERSY over American policy towards Jewish settlements on occupied Arab land heated up on two fronts yesterday, as the State Department condemned Israel's planned expropriation in east Jerusalem and ructions continued about the recent "erroneous" U.S. vote in the UN.

"We deplore this decision (by the Israeli Government) that does not in any way help the peace process," Mr. Hodding Carter, the State Department spokesman, said.

Earlier, Mr. Zbigniew Brzezinski, President Carter's Security Adviser, said he sympathised with the position of Mr. Teddy Kollek, the Mayor of Jerusalem, who opposed the Israeli Cabinet decision to take over 1,000 acres of Arab land in outlying east Jerusalem for Jewish settlements.

He restated the Administration view that the future of the Holy City should be decided in the current Palestinian autonomy talks between Egypt and Israel, and not unilaterally by

the Begin Government.

The U.S. opposed Israeli settlement practices and would not have tried to retract its recent vote in the UN condemning them, but not the resolution included inconvenient references to Jerusalem and a call for dismantling Jewish settlements on the West Bank.

The latest Israeli Government action, sweeping enough to force a reaction out of Washington, is causing fresh domestic political headaches for President Carter, who has been trying to calm American-Jewish outrage at the UN vote.

Mr. Carter has repeatedly said the vote was an "error" based on an incorrect reading of the Israeli Cabinet decision to take over 1,000 acres of Arab land in outlying east Jerusalem for Jewish settlements.

He restated the Administration view that the future of the Holy City should be decided in the current Palestinian autonomy talks between Egypt and Israel, and not unilaterally by

Egypt looks to EEC

BY ROGER MATTHEWS IN CAIRO

EGYPT BELIEVES that a European Middle East initiative could provide a vital safety net for peace if the current negotiations with Israel on Palestinian autonomy fail to make any progress by the May 25 target date.

Senior officials in Cairo have been encouraged by the recent spate of West European statements pledging support for Palestinian self-determination on the occupied West Bank and Gaza Strip.

While they still hope that Israel will change its present rigid negotiating stance in the next two months, they are simultaneously casting around for other policy options that will allow the Camp David accords to be expanded.

Israel has already been warned that Egypt regards May 25 as a deadline and that the next session of autonomy talks in Cairo on March 25 will be regarded as a vital test of

Israeli attitudes.

President Anwar Sadat is said to be dismayed by Israel's continued insistence on building Jewish settlements in the West Bank and Gaza Strip and by its failure to offer anything that might eventually tempt the Palestinians or other Arab countries into the negotiations. Close aides believe there is a real danger of Israel taking Mr. Sadat's outward calm for granted and of misreading his intentions.

With Egyptian officials also bemused by President Carter's volte-face over the United Nations Security Council vote on Israeli settlements, there is a growing feeling in Cairo that little help can be expected from the White House until the Presidential elections are completed.

Particular hope has therefore been focused on the role of the nine Common Market members.

Political wisdom discredited in primary battle

BY JUREK MARTIN IN MIAMI



President Carter... delighted at gains.

MANY MOONS AGO, when it was reasonable to project a close race between President Carter and Senator Kennedy for the Democratic Party's Presidential nomination, political wisdom ran something like this: After an even skirmish in the Iowa caucuses, the senator would win at home in New England, the President likewise in the south, with neither gaining a decisive advantage before the votes in the big states, Illinois, New York, Wisconsin and Pennsylvania, in the middle of the primary season.

Today, after three more primaries, and a batch of other caucuses, reality is very different and the numbers very stark. Senator Kennedy has won only one state, his own Massachusetts, by better than two to one, and may have an edge in far-away Alaska. Mr. Carter's record is devastating, a three-to-one win in Iowa, victories in three New England states, and huge margins everywhere else.

He won by 10 to one in his native Georgia, six to one in Alabama, nearly three to one in supposedly representative Florida, six to one in the Oklahoma and Hawaii caucuses and two to one in the Washington State caucus.

Fewer moons ago, on the Republican side, after Mr. Ronald Reagan had been upset in Iowa by Mr. George Bush, it was feebly popular to maintain that the nomination might not fall into his lap and that he might even be in trouble in the conservative south.

But Iowa is now a distant bad memory: the former governor

of California scored a big win in New Hampshire, a narrow one in Vermont, finished a close third in Massachusetts and has carved a swathe through the south tantamount to General Sherman's march to the sea in the civil war, getting well over 50 per cent in South Carolina, nearly 60 per cent in Florida, nearly 70 per cent in Alabama and even more in Georgia.

In the process, such heavy-weight candidates as Senator Howard Baker and Mr. John Connally have been knocked out, while Mr. Bush is in dire need of resuscitation. Only the most improbable of the original contenders, liberal Congressman John Anderson, apparently

retains the capacity to trip Mr. Reagan up here and there, and only former President Gerald Ford has the theoretical ability to deny him the nomination. (Mr. Ford reiterated yesterday that he will decide after next Tuesday's Illinois primary whether or not to enter the race.)

Even Mr. Ford's chances must be reckoned thin, however. By this stage four years ago, Mr. Ford had not lost a primary to Mr. Reagan, yet in the end barely won the nomination; this time, Mr. Reagan has a huge early advantage; even if he declares, Mr. Ford will be ineligible to contest any later primaries.

Some of Mr. Reagan's favourite stomping grounds are still to come—such as Texas, where he whitewashed Mr. Ford in 1976, and where Mr. Connally is no longer a factor, and his own California, where, unless the state superior court changes the rules all the delegates will be awarded to the winner of the primary.

There are some clouds on the Carter and Reagan horizons. Here in Florida, the President lost Broward County to Mr. Kennedy, and took Dade County by a modest margin. Both have substantial Jewish populations, which were clearly upset by the anti-Israeli vote in the UN.

The senator thus may pick up support next week in Illinois, which has a sizeable Jewish enclave, and the week after that in New York, where one third of all registered Democrats and a higher percentage of the politically active are Jewish.

Moreover, all the post-elect-

tion polls were found that, though Mr. Carter's strength was broad, it was not deep. Turn-out, for example, was low; surveys found that less than half approved of the way the President was doing his job, while, in several instances, a majority endorsed Senator Kennedy's

specific policies, such as inflation of wage/price controls. That these same voters could so overwhelmingly prefer the President in such troubled foreign and economic times is indicative of the profound national reservations about Senator Kennedy's character.

CANDIDATES	NUMBER OF DELEGATES			
	Florida*	Alabama	Georgia	Total so far
Democrats	76	42	62	280
Jimmy Carter	23	3	1	142
Edward Kennedy	51	18	36	167
Republicans	—	9	—	45
Ronald Reagan	—	—	—	13
George Bush	—	—	—	—
John Anderson	—	—	—	—
Delegates needed for nomination:	Democrats 1,666			
	Republicans 998			

* One Florida delegates uncommitted

Victory to front-runners

PRESIDENT Jimmy Carter and Mr. Ronald Reagan won crushing victories in three southern primaries on Tuesday and both have now opened substantial leads in the contest to secure enough delegates to win their respective parties' presidential nominations.

In Florida, Mr. Carter beat Senator Edward Kennedy by 61 to 23 per cent, in spite of the senator's strength among Jews in the state, who were outraged by the debacle over the recent U.S. vote against Israel in the UN. The President appears to have won 76 delegates to 23 for Mr. Kennedy and one uncommitted.

In his native Georgia, and in Alabama, the President's margin was even more decisive, 88 to 9 and 82 to 13 per cent respectively, picking up 104 delegates to just four for Mr. Kennedy.

Mr. Reagan scored three convincing wins over Mr. George Bush, his only real rival in the south. His margins of 57 to 30 per cent in Florida (with 9 per cent going to Congressman John Anderson, who did not campaign here), 73 to 13 per cent in Georgia (with another 9 per cent for Mr. Anderson), and 69 to 26 per cent in Alabama gave him a total of 105 delegates for the day to just nine for Mr. Bush.

Sooner or later, someone will ring these statements back at him. Mr. Anderson, who, according to two local polls, has now moved into the lead in his native Illinois (which happens to be Mr. Reagan's birthplace, too), will try to capitalise on his apparent ability to capture the support of middle-of-the-road Republicans, Democrats and Independents.

But, in the complex and critical game of accumulating delegates, it is hard for any candidate to write off big chunks of the country, as Mr. Anderson has done in the south and end up with the nomination. Mr. Bush, the bright, early star of the campaign, has lost the one thing he thought he had going for him—"the big mo" (his description of momentum). All the excellent field organisation and money in the world do not seem to be able to dispel the growing suspicion that there is a soft centre to the Bush campaign in the shape of the candidate himself. Nobody would accuse Mr. Ronald Reagan of softness.

Action on trucking deregulation

BY IAN HARGREAVES IN NEW YORK

PROSPECTS for a radical overhaul of the U.S. road haulage industry's highly restrictive pricing and operating structure have increased dramatically with the passage of a tough deregulation Bill through the Senate Commerce Committee.

In an unexpectedly convincing 13 to four vote, the committee went a long way towards backing total abolition of the industry's freedom from anti-monopoly laws in setting prices, a move which has been advocated for many years by Senator Edward Kennedy.

The Bill, if enacted, would make entry into the industry easier, lift anti-trust immunity for collaborative rate setting on

lines operated by a single haulier, abolish rate regulation entirely for some food cargoes and increase the industry's flexibility in pricing.

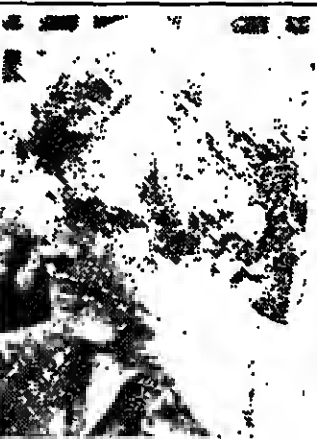
It would thereby expose to much greater competition the 16,000 regulated motor carriers in the U.S., who, it is argued, have sheltered behind regulation to earn comfortable profits unrelated to their efficiency and charged high prices for their services.

The Carter Administration, attracted by the anti-inflationary possibilities of deregulation, has backed Senator Kennedy and expressed delight at the Senate committee decision.

Senator Howard Cannon, chairman of the committee, has said that he expects to have legislation for the President to sign by June, but that assumes that the House of Representatives will act equally speedily in committee in the next few weeks.

Deregulation has been fought hard and expensively by both the American Trucking Association and by the Teamsters union, which says that the level of service will drop if the changes are implemented.

Senator Kennedy, who stands to pick up some kudos if the various deregulation attempts succeed during this Presidency, welcomed the Senate commit-



Senator Kennedy backs deregulation.

tee decision, but said he hoped the full Senate would lift anti-trust immunity for the entire industry.

Exxon predicts slower growth in energy demand

BY DAVID LASCELLES IN NEW YORK

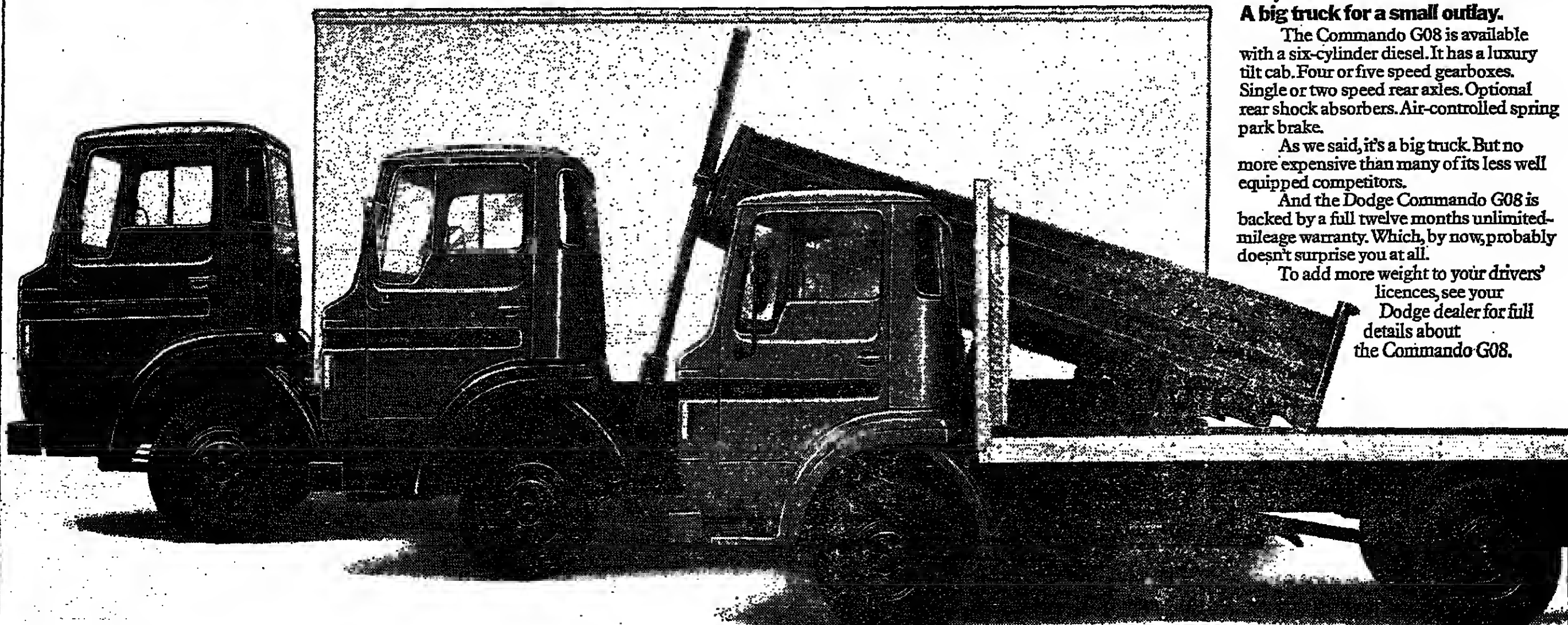
GROWTH in world energy demand will fall off in the last decade of the century after a slight acceleration in the 1980s as the world adjusts to the new economics of energy. The fall will be most noticeable in the advanced industrial nations, especially the U.S., according to the World Energy Outlook published yesterday by Exxon, the world's largest oil company.

It is Exxon's first major forecasting exercise for two years: last year's report was disrupted by the Iranian crisis. Exxon's prediction is based on the assumption that world economic growth to the year 2000 will be

about 3½ per cent a year, and that world oil prices will rise to \$28 per barrel (in 1979 dollars) by 1990.

On this basis, Exxon expects total energy demand to rise 2.6 per cent a year in the 1980s and 2.4 per cent in the 1990s. This is somewhat more than the 1.7 per cent registered in the energy crisis years of 1973-78, but well below the 5.5 per cent of the 1965-73 period. Most of the growth in demand will come from the developing world where energy needs will expand by 5.8 per cent a year in the 1980s and 4 per cent in the 1990s.

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WORLD TRADE NEWS

Soviet trade with France up by 33%

By David Satter in Moscow

FRANCO-SOVIET trade reached FF 16bn (£1.7bn) last year and there are good prospects for France emerging as the Soviet Union's second largest Western trading partner in the 1980s.

Figures released by the French Embassy showed that trade turnover, buoyed by large increases in both French exports and imports, rose 33 per cent to FF 16.15bn in 1979 from FF 12.15bn in 1978.

The strength of Soviet-French trade is undoubtedly an important factor in the French refusal to impose economic sanctions on the Soviet Union in response to the invasion of Afghanistan.

Last year's trade growth helped the Soviet Union and France achieve their goal of trebling trade turnover in 1975-79 (to FF 59bn) compared with the previous five-year period, and the two sides have agreed to work for a similar increase between 1980 and 1985.

French officials attributed the 30 per cent rise in French exports last year to FF 8.53bn from FF 6.56bn in 1978 to deliveries of FF 850m worth of oil recovery equipment from Technip.

Another important factor was an increase in deliveries of French agricultural products, mostly meat and butter, worth FF 941m compared with only FF 177m in 1978.

The 35 per cent increase in French imports to FF 7.62bn from FF 5.63bn in 1978 was attributed to increased deliveries of Soviet energy products at higher prices, and to increased imports of other raw materials, particularly cotton, wood, precious metals, nickel and copper.

France imported 6m tonnes of Soviet oil and oil products in 1979, compared with 5m tonnes in 1978, and 2.5bn cubic metres of natural gas in 1979 compared to 2bn cubic metres in 1978. France has agreed to buy 6.5m tonnes of oil and oil products and 4.5bn cubic metres of natural gas this year.

France-Soviet trade in 1979 gave France a surplus of FF914m, about the same surplus as in 1978. With U.S.-Soviet trade expected to fall sharply because of trade sanctions applied over the invasion of Afghanistan and French companies bidding seriously for a number of major projects, France could easily move into second place among the Soviet Union's major Western trading partners, behind West Germany and ahead of the U.S.

UK talks on £750m E. German deals

By LESLIE COLTITT IN LEIPZIG

MR. CECIL PARKINSON, the U.K. Trade Minister, told a Leipzig Fair Press conference that British companies are currently negotiating with East Germany on 14 projects worth some £750m, of which he felt a considerable number could be won by the UK concerns.

The optimism comes in the wake of an \$37m contract awarded to GKN to build a forge to produce components for the East German truck industry. Although GKN would not dis-

close any details, the East German Press said trucks are to be exported by East Germany in return. British commercial officials noted the buy-back goods will not be sold in Western Europe but instead on African markets believed to be Nigeria, "through other parties." The dollar contract is being financed at 7.75 per cent over eight years by Morgan Grenfell.

The forge, at the centre of the East German truck industry in Ludwigsfelde, is the first of

three planned forges worth some £60m in which GKN is said to be a "strong favourite" to win.

Negotiations between GKN and Industrieanlagen Import are also taking place for a foundry which would be worth approximately £80m as part of a major reconstruction of the East German truck industry.

Mr. Parkinson said he hoped GKN's contract would be an encouragement to British concerns. He visited the Carl Zeiss Jena

optical and electronics factory, which has a trading company in the UK and which is interested in joint projects with UK companies in Britain and in third markets.

Snamprogetti, the engineering subsidiary of the ENI Italian state-owned energy agency, has won a \$90m (£40.5m) contract to build in East Germany a highly advanced plant to recover lead from batteries. The deal was signed with the East German Industrie Anlagen-Import.

Gatt to choose Long successor

By BRIJ KHINDARIA IN GENEVA

THE DECISION TAKING council of the General Agreement on Tariffs and Trade (GATT) meets here today to find a successor to Mr. Olivier Long of Switzerland, GATT's Director General, since 1968, whose term expires on May 5.

Many developing countries have accused him of running a "rich man's club" suited to the needs of the industrialised world, while the industrialised nations think that he has too often bent over backwards to

please Third World members. Four persons are in the running for Mr. Long's job. They are: Mr. Arthur Dunkel, current Swiss Ambassador to GATT, Mr. Patrick Donovan, current Australian Ambassador to the Organisation for Economic Co-operation and Development (OECD) in Paris, Mr. Klaus Sahlgren, a former Finnish Ambassador to GATT and current head of the UN Centre on Transnational Corporations in New York, and

Mr. Hans Colliander, Swedish ambassador to the OECD in Paris.

Mr. Dunkel and Mr. Donovan are seen as the key candidates. The others have little support, and could withdraw their names. The final decision is unlikely to emerge today because the ground for compromise has still to be prepared in private bargaining among various delegations.

Saudis to sell oil to Bavarian company

By John Closs in Jeddah

SAUDI ARABIA'S state-owned oil company, Petromin, has recently signed a long-term supply contract with the West German company, Avia, partly owned by the Bavarian state government.

Under the terms of the agreement, Avia is to receive 100,000 barrels a day for three years. Mr. Ali Rubeishi, the deputy governor of Petromin, said yesterday he was unable to provide further details of the contract.

It is understood to be the first of Saudi Arabia's guarantee oil entitlements not to be awarded on a strictly government-to-government basis. The deal is the culmination of a long and bitter rivalry between Avia and Zeba Oil, 44 per cent of which is owned by the West German government. It is understood that Avia's bid was supported by high officials in Petromin and in the Saudi government.

Zeba, which was one of the first semi-state oil concerns to be awarded a long-term supply contract, by Petromin, hoped to extend its mandate beyond the 18,000 to 30,000 barrels a day it has been taking under its initial agreement.

Toyota considers vehicle assembly plant in Taiwan

By RICHARD C. HANSON IN TOKYO

TOYOTA MOTOR has become the second Japanese motor company to express interest in building a car assembly plant in Taiwan, where the Government is encouraging a rapid expansion of production.

Nissan Motor has already talked with officials in Taiwan about the project. Toyota will send an executive to Taipei next week. The Taiwanese Government would like to build a car plant with an annual capacity of 200,000 vehicles with the help of a foreign car maker. About half of that production would be exported.

It is not clear just which markets those exports would be aimed at. There is some speculation in Tokyo that one incentive for considering such a plan is the prospect of trade eventually opening up between China and Taiwan. In that case, Taiwan would provide an excellent export base for a motor industry.

Standards used to curb imports

By FRANK GRAY

THE DEPARTMENT of Trade accepts that product standards are sometimes used by other countries to hinder imports of British goods, but the department has found it virtually impossible to quantify the effect of such hindrances, a Parliamentary sub-committee on trade standards was told yesterday.

Mr. E. E. Williams, singled out health and safety standards, such as exhaust controls in the U.S., but said that it was "difficult to adduce discrimina-

tion" when one examined the safety and environmental considerations behind such regulations. He is deputy chief scientific officer in the Trade Department's Metrology Quality Assurance and Standards Division.

Evidence has been sought from some 400 trade associations in the UK on trade problems caused by product certification systems within the EEC, and Britain was heading an EEC working party examining the issue.

Turkey extends decision day for creditors

By David Tonge

ABOUT 20,000 creditors owed money by Turkey are to be given two months extra to decide whether they will accept payment in Turkish liras over two years or dollars over 10 years.

The creditors are owed up to \$1.9bn on unguaranteed suppliers' credits. They had been given up to April 25 to decide which option to accept, but in London yesterday Mr. Turgut Ozal, the Under-Secretary to the Turkish Prime Minister, responsible for co-ordinating the government's economic policies, said that a decree was being presented to the cabinet giving a two-month extension.

He also asked the Middle East Association to prepare proposals for improving the scheme.

French may revise Tunis rail deal

By Our Foreign Staff

THE TUNIS railway contract worth \$75m awarded last month to a consortium of West German and French companies led by Siemens may be revised under pressure from the French authorities who feel that a bigger share of the contract should go to French companies.

This follows the Tunisian Government's request for French arms worth an estimated \$400m (£179m) following the allegedly Libyan backed raids on the Tunisian town of Gafsa in January.

In order to buy such quantities of arms the Tunisians would have to obtain very favourable French credit terms. The French authorities are therefore expected to ask why such a major contract as the Tunis city railway system should have been given to a West German consortium. The Siemens consortium includes three French companies—Jeumont Schneider, Socotec and Spie Batignolles—but West German companies, which include MAN and DUMAG as well as Siemens, are believed to have the bigger share.

Siemens said yesterday that the agreement with Tunisia to build a major part of the railway system existed so far only in the form of a letter of intent. But the company had no reason to doubt its earlier consideration that the definitive contract will be placed with the Franco-German consortium it is leading. Final contract negotiations are still taking place.

KloECKNER in new bid for Peru contract

By DOREEN GILLESPIE IN LIMA

KLOECKNER Industrie Anlagen is understood to have presented a new offer to Mineroperu, the State mining company, for the construction and financing of the \$285m (£128m) second stage of the Cerro Verde copper project. The engineering division of Fiat is also competing for the project and signed a letter of intent with Mineroperu in December.

KloECKNER and Fiat were shortlisted for the project in March 1978 by a commission which studied five bids from international companies. The project is aimed at doubling Cerro Verde's output to 80,000 tonnes a year of "fine" copper.

KloECKNER's talks with Mineroperu collapsed in April last year but the company is reported to have continued to present offers since then. Its latest offer is apparently encouraged by the postponement by Mineroperu for the second time of a decision on the Fiat offer.

The original deadline set for

February 8 in a letter of intent signed with Fiat last December and which was extended to the end of February has now been extended to the end of March. If no agreement is reached by that date both Mineroperu and Fiat would be automatically released from the letter of intent.

KloECKNER's latest proposal includes an offer by Chase Manhattan Bank group to arrange a \$125m long term Eurodollar facility to cover local component costs with the balance of \$160m to be covered by supplier credits. The offer is valid to the end of March.

Fiat's proposal is said to include a credit offer of around \$235m including a \$125m loan from the Union de Banques Arabes et Francaises and around \$110m in supplier credits from Ensaena and Paribas which would finance equipment to be supplied by Fiat's Babcock & Wilcox unit. But it is understood that this original offer has since been improved.

Changes upset shippers

FINANCIAL TIMES REPORTER

DEEP CONCERN is being expressed by the British Shippers' Council regarding the effects of the resignation of Sea-Train Lines from the Continental Westbound Freight Conference and the granting of the right of independent action to remaining Conference members. The council says that the changes appear to place UK exporters in a less satisfactory position than

their Continental competitors simply because the conference serving the UK—the North Atlantic Westbound Freight Association—has not granted the same right of independent rate making to its members.

Shipping circles indicate that rebates in excess of \$25.00 per freight ton have been granted to Continental shippers on tariff rates of \$80.00 per

Rhys David reports on today's EDC report on wool makers
Persuading the textile trade to think Italian

BRITAIN'S Wool textile industry is to try to inspire stronger fashion and design in its European exports following recommendations from the sector's economic development committee.

The EDC, which publishes its annual report on the industry today, claims that in a study of the main Continental markets British mills were faulted for their colour and design and for their conservatism in marketing and in adapting to fashion changes. The report says British fabrics have hitherto enjoyed a reputation for quality and design but this has been eroded over recent years, even though the UK is still seen as a source of up-market classic fabric.

The new initiative being promoted by the Confederation of British Wool Textiles, involves a much greater degree of co-ordination in the design field. The leading companies in the industry, which has an annual turnover of £1.25bn, plan to meet each season to decide on a common UK theme which each mill could interpret in its own way but which it is hoped could provide a coherent presentation of UK fabrics at international fairs. An annual British wool fabric fair is also being considered.

The aim of the new moves is to win a bigger share of European markets for wool fabrics alongside the Italians who dominate export markets. German buyers in particular, it

is noted, have become disillusioned with Italy because of poor delivery and welcome British interest in their market.

Greater penetration of Europe is seen as essential if the industry is to cope with the loss of its home market as a result of high levels of ready-made clothing imports and the growth in wool textile imports from high and low-cost sources. Import penetration of the UK market for woollen and worsted cloths, the report says, has increased from 22 per cent in 1973 to 45 per cent by the middle of last year, with substantial growth also taking place, though from a lower base, in imports of yarns and tops (combed wool). The industry, with overseas

sales of more than £400m, claims to be the sixth biggest UK exporter. But it is finding much more difficult, the report points out. Volume is static and value moving only marginally ahead. Faced with pressures in both its home and overseas markets, employment is 50 per cent less than ten years ago.

The problems within the industry and, in particular, the growth in imports have obliged the EDC to revise its earlier objectives for the sector. Success in achieving these new targets, however, remains dependent on renegotiation of the GATT Multi-Fibre Arrangement. Wool Textiles EDC Progress Report, available from NEDO, Millbank, London SW1P 4QX.

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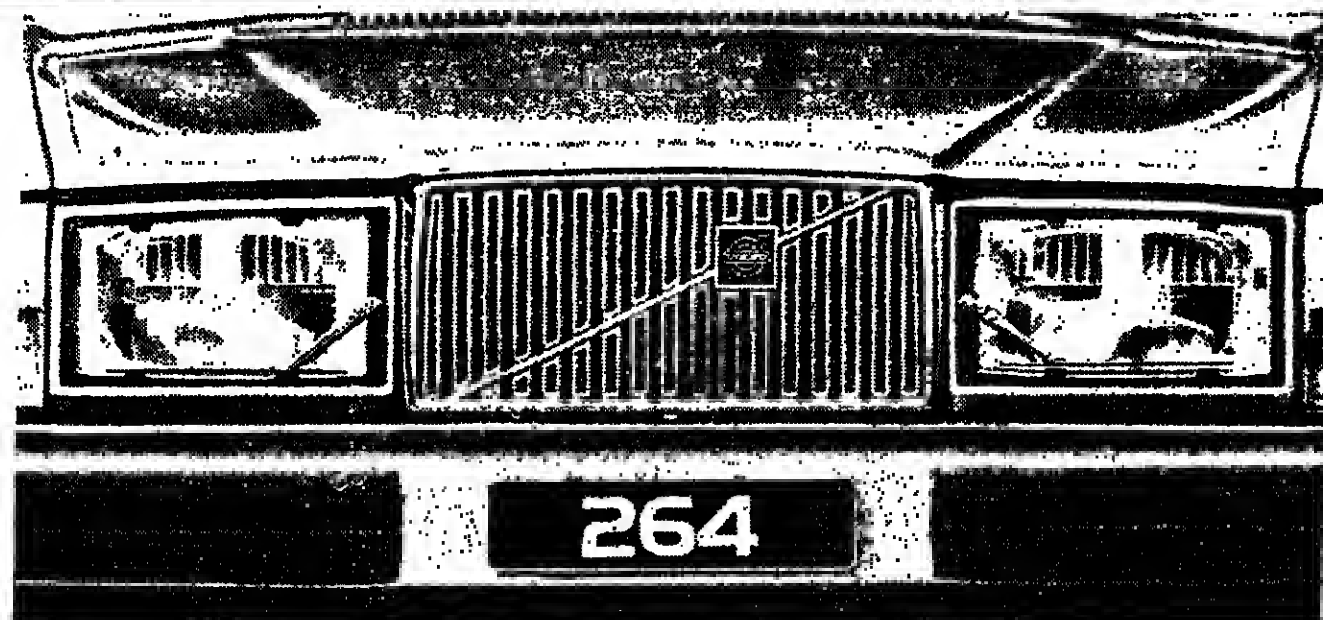
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Comparability pay dispute is behind rate demand action

By Philip Bassett, Labour Staff

RATEPAYERS MIGHT see little cause for complaint if industrial action by 560,000 white-collar council staff, mainly members of the National and Local Government Officers' Association, prevents this year's rate demands from arriving on time.

But as shown by last year's action by Post Office computer staff, which delayed the sending of computer-processed telephone bills, the immediate relief brought by the strike turns into painfully large payments when the action is over.

NALGO, normally a shining example of moderation, has learnt the lesson of last year's Post Office and Civil Service disputes by concentrating the force of the action on the near-invisible but vulnerable area of computers, where a few staff can stop work to great effect.

The union has also learnt from its own last major dispute, involving at most 3,000 social workers, which ended last year in a draw, that a strike like that of the union lost about £2m during the strike and was forced to cut heavily its strike pay for future disputes.

Though the present industrial action seems to have come out of the blue, there have been signs of it for some time. It centres on a dispute over comparability payments outstanding from a pay deal due to run from July 1 last year.

The settlement, in reply to a 15 per cent claim, gave an increase from July 1 of 9.4 per cent plus 0.18 per cent from consolidating a supplementary payment of £312. It also set up a joint comparability study with other white-collar workers to deal with the rest of the claim.

The unions and the employers agreed not to follow the trend then general among public service groups of referring the claim to the Clegg comparability commission, since the commission would not have been able to report until later this year.

Despite the present difficulties, the unions may ultimately be relieved they did not go to Clegg. Only the day before the unions announced industrial action, officials from NALGO and other unions were sitting in the same room in the NALGO offices railing helplessly against what they saw to be an inadequate but hindering Clegg award for 37,000 supplementary professional medical staff.

Instead, aiming to start the payments from January 1 this year, both sides agreed to draw up an in-house comparability study. A mass of information was collected in four separate studies; both sides agreed there were inconsistencies in the information, and the present dispute is a result of differing interpretations of the results.

The unions boiled the studies down to a rough claim of 10-22 per cent, which would add 14 per cent, or £333m, to pay bill costs for the group. The employers replied with a 6-12 per cent offer, which would add 3 per cent, or £185m, to the pay bill, which presently stands at £23.33m.

The offer would take those on the bottom of a 51-point scale from £1,992 to £2,112; the claim is to take the rate to £2,192. The highest rate under the offer would be increased from £9,534 to £10,673; the claim is £11,531.

The employers argue that the financial restrictions imposed by the Government cannot be ignored and that any further increase will have to be funded by staff cuts.

The unions, meanwhile, are readying themselves to draw up this year's annual pay claim as well, to run from July 1. Its level will obviously be heavily influenced by the success of the present action.

NALGO is not a union easily moved to industrial action. It drew back from action last year with this group because it was unsure of support; both its readiness to go now and the halting of rate issues already being reported by council after council seem this time to indicate its determination.

NALGO ban may mean higher bills next year

By Robin Pauley

RATEPAYERS, already facing large increases in their rate bills, are likely to face supplementary rate demands later in the year if the ban on the issue of rate demands continues for more than a few weeks.

If it continued for six months, ratepayers could face a bill for an extra 9 per cent of the 1980-81 rate figure.

The National and Local Government Officers' Association has responded to the 6-12 per cent comparability pay offer with an instruction to the 560,000 white collar staff to black all work relating to the issue of rate demands.

This will have an immediate effect on computer personnel who should now be working on the programming details for the computerised rate demands sent out in March and April.

Traditionally only 5 per cent of rate income trickles in during April and 5 per cent in May, before picking up in June. Treasurers calculate from previous experience what proportion can be expected when, and take out short-term loans to cover the expected shortfall for given periods.

The NALGO action will throw these delicate calculations out immediately and because many authorities have already drawn on balances to a greater than desirable effect, they are likely to have to turn to the money markets for extra short-term loans as soon as two weeks after the start of the blacking.

With short-term interest rates at between 17 and 18 per cent, considerable extra debt servicing charges will face some authorities. As local authorities are not allowed to go into debt in this way and recoup the money in a knock-on action on next year's rates, a supplementary rate demand may be the only solution. Such a demand would also include an amount to pay for the eventual settlement with the union.

After central government grants, rates are the most important source of income for local authorities, providing about £7.5bn in England and Wales in 1980-81.

Rates contribute significantly to the source of funds for salaries, a factor which will drive treasurers to the money markets quickly, because there is no possibility of withholding wages. Some contractors, however, may find they are not paid as promptly as usual for maintenance work for local councils.

Most local authorities collect their rates once a year and they will feel the effects of the NALGO action hardest. All authorities must allow people to pay their rates in ten instalments and money from those paying their instalments by direct debit will go on to the council's bank account.

Those authorities which still send out two rate demands a year—in April and October—will be less hard hit, as the potential loss of income relates to only half the annual total.

Holiday charter flights would be hit by stoppage

By Michael Donne, Aerospace Correspondent

ANY STOPPAGE by air traffic controllers at local authority-owned airports over Easter is not expected seriously to interfere with UK air traffic, although it could be severe for some holiday passengers at a few airports such as Luton.

Most UK airports, and all the major ones, come under the Civil Aviation Authority for traffic control.

The controllers at those airports are part of the CAA's National Air Traffic Control Services department, through whom pay scales are negotiated, so that the National Association of Local Government Officers is not involved.

The airports where NALGO members are employed are Luton, Norwich, Newcastle, Teesside, Bristol, Leeds-Bradford, Coventry, East Midlands, Blackpool and Swansea. They have between 150 and 200 air traffic controllers, and they handle about 5m passengers a year.

But they are all used extensively by holiday charter flights, so that any Easter stoppage by controllers at those airports could upset the holiday plans of many thousands of travellers.

Scheduled service passengers, intending to fly from those airports can transfer to services from other airports, but the holiday charter flights cannot transfer, because they are required by the terms of their licences to use specific airports.

The number of holiday flights using those airports over Easter is not known, but it could be several hundreds, involving perhaps as many as 200,000 passengers.

Luton airport is used by most of the major UK holiday tour operators, including British Airways, Britannia Airways, Air Europe, Dan-Air, Laker and Monarch Airways. It is also used extensively for business aviation, as the home base for McAlpine Aviation and other operators.

French ban £20 Channel flights

By Michael Donne, Aerospace Correspondent

THE FRENCH Government has refused British Airways permission to introduce a £20 single Channel-hopper fare between London and Paris, from April 1.

The fare was intended to be part of a package of cheap fares to include a £25 single Club Class rate, or £110 return, and a £42.50 single or £85 return Eurobudget fare. The present Economy Class return fare is £94.

The other fares have been approved by the French because they are also offered by Air France, as part of a joint experiment to introduce the new Club Class on the London-Paris route, replacing First Class, which is to be abolished.

But Air France has been lukewarm towards the Channel-hopper rate. It is probably for this reason that France has denied British Airways the right to offer it.

Another reason is that British Airways planned to sell only 70,000 Channel-hopper tickets a year. The French Government and Air France regarded it as a "loss leader," not a genuine regular cheap fare.

British Airways said yesterday it was disappointed by the decision, but its Club Class plans would go ahead.

Commercial vehicle sales rise—importers benefit

By Kenneth Gooding, Motor Industry Correspondent

SALES OF commercial vehicles increased in February. But importers benefited more than the UK manufacturers.

According to the Society of Motor Manufacturers and Traders' statistics published yesterday, registrations of new commercials in February were 25,371—2,570 or 12.75 per cent higher than in the same month last year.

The importers' share of the market moved up 23.62 per cent from 13.99 per cent in February, 1979.

New registrations for the first two months of the year, at 49,461, were 11.41 per cent more than for the same period in 1979. Importers accounted for 23.69 per cent of the market this year against 20.19 per cent in 1979.

Within the overall totals, however, the pattern was patchy.

Sales of car-derived vans—the smallest commercials and those likely to react more quickly to pressures on corporate liquidity—fell 8.35 per cent in the period, from 16,105 to 14,759.

Compared with this there was a 33.35 per cent jump in registrations of vans under 3.5 tons gross weight. They rose from 15,434 to 20,532.

The main factor was the big gains made by importers of Japanese vans.

Over the two months van sales by Datsun advanced from 435 in 1979 to 720 this year; Honda's went from 296 to 574; Mazda's from 179 to 273; Mitsubishi's Colt from 14 to 87 and Toyota's from 276 to 696.

The Japanese sales probably reflected the shortage of car stocks at the beginning of the year, leaving dealers to put more effort behind commercial vehicle sales.

New registrations of heavy commercials—above 3.5 tons—were 10.3 per cent ahead in the first two months of 1980 compared with the same period last year.

Among the UK-based manufacturers Bedford, the General Motors subsidiary, is still feeling the impact of the 11-week strike last autumn. Registrations fell from 2,416 to 1,612 in the heavy section over the two months.

There was some compensation by Ford which, in the early part of last year, was also suffering from the after-effects of its 1979 strike. As a result registrations of Ford heavies rose from 1,543 to 2,756.

Leyland marked time in front of the launch this month of the first trucks in the T45 range and sales were 2,081 against 2,127.

Dodge, the PSA Peugeot-Citroen subsidiary, advanced from 1,028 to 1,207 during the same period.

Decision delayed on £25m extra funds for Inmos

By John Lloyd and Elinor Goodman

THE GOVERNMENT has again delayed a decision on approving a further £25m injection of capital to Inmos, the semiconductor company backed by the National Enterprise Board. The money is needed to allow Inmos to start construction of its first factory in the UK.

An adjournment debate in the House of Commons today will hear a bolding statement from Mr. David Mitchell, Parliamentary Under-Secretary at the Department of Industry. It had been hoped that a decision, which has been pending for three months, would be announced this week.

It is understood that Treasury ministers are concerned with the level of funding for the project, and have expressed doubts that the further £25m—which would bring the total committed to Inmos to £50m—would satisfy the company's future capital needs.

At the same time employment ministers are thought to be concerned about the proposed siting in Bristol of the first plant, employing around 1,000 people. They would prefer it to go to a region of high unemployment.

Mr. Iain Barron, Inmos' managing director, has said future investment in the company would be funded from profits, or from the private market. He has also said the company is losing £300,000 a day in lost sales because of the delay.

It has been clear for some time that Sir Keith Joseph, the Industry Secretary, has supported the project.

Bonington painting fetches record £65,000

SALEROOM

By Antony Thorncroft

Charles Lamb as a boy, painted in 1823 by John Fernley, Sar., and the £24,000 for the portrait of the Hon. Francis North by George Romney.

Two other auction artist records were the £10,500 for "Two Anglers on a Rock Fish-

ing" by George Barrett and £9,200 for a portrait of Miss Julia Keasberry by Thomas Beach.

The National Portrait Gallery, bidding through Leggatt, bought a portrait of Robert Rich, second Earl of Warwick, for £3,600 and the Department of the Environment paid £2,900 for "The Death of Nelson" by Samuel Drummond.

At a Christie's jewels sale, an antique diamond necklace with

41 diamond and 10 paste collets sold for £23,000 to Spinks in an auction which totalled £183,177. A pair of diamond ear-clips by Cartier went to Silver, the London dealer, for £13,000 and the same set secured a single stone diamond ring.

A Gledinning coin sale brought in £130,505. A 100 franc gold coin of 1925 made £5,200 and a William III two guineas of 1701 fetched £4,400.



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UK NEWS

Engineers oppose watchdog proposal

By Hazel Duffy, Industrial Correspondent

THE Institution of Mechanical Engineers has told the Government to consider setting up an Engineering Authority responsible to the profession, rather than to the Government as proposed in the Finnieston Report.

In this first response by a major engineering institution to the Finnieston proposals, the IMechE says it is "unthinkable" that a major profession should be placed in a position where it is no longer self-regulating.

Instead, it proposes that most members of the authority, which it says should be called the British Engineering Council, should come from the institutions. It should not be funded by the Government, and should answer only to the Privy Council, not to Parliament.

Mr. Gordon Dawson, president of the IMechE, described the Finnieston report yesterday as "unbalanced and naive" in some respects. It ignored many of the "very good developments" that are taking place in the institutions and profession towards higher standards.

The Department is consulting the institutions, educational authorities and industry for their views on Finnieston, and hopes to make a decision by early summer.

The IMechE says its views have the broad support of the other major institutions, with which it is holding discussions. It aims to submit a document to the Department of Industry by the middle of next month to which they will all have agreed.

Technicality likely to block appeal to save two-tier whisky pricing

Distillers faces defeat

By A. H. HERMANN, LEGAL CORRESPONDENT

THE DISTILLERS' company seems likely to lose on a technicality its dispute with the EEC Commission about the differential pricing of whisky.

The European Court's Advocate General, Mr. Jean-Pierre Warner, recommended yesterday that Distillers' appeal against the Commission should be dismissed.

A Commission ruling on December 30 prohibited the company from protecting a higher price level for Continental whisky sales. Distillers was seeking to have this ruling reversed.

The European Court does not, however, always follow the opinion of the Advocate General.

Despite his recommendation that the appeal should be dismissed on a technicality, Mr. Warner's opinion did

largely vindicate the case put forward by Distillers.

The company's price protection was achieved originally by an export prohibition to UK dealers buying whisky from Distillers at the lower UK price, and later by introducing a differential price system.

Under this system, UK dealers were charged a lower price if they bought whisky for the domestic market and a higher price if they wished to export the whisky to other EEC countries.

But some dealers, particularly the Bulloch Group of Companies of Glasgow, exported the whisky bought at the lower domestic price, and complained to the EEC Commission when Distillers asked them to pay the difference and refused to continue to supply them at the lower price.

The Commission rejected

Distillers' application for an approval of their distribution system under Article 85/3 of the Treaty. It objected that the system protected continental distributors of Scotch against competition by the cheaper "parallel" exports from the UK, and in this way, partitioned the Common Market.

Distillers argued in their appeal that their distributors in markets where whisky competed with local traditional drinks bore promotional expenses amounting to about 5% per case.

The differential pricing system was designed to protect them against unfair competition by UK dealers, who would otherwise benefit from the promotional scheme without contributing to its cost.

Mr. Warner concluded that the Commission's decision committed a grave procedural fault

in refusing to communicate to Distillers the full text of Bulloch's complaint, showing them only a heavily-censored version. He held that the Commission did not substantiate before the court why Distillers should not be granted an exemption under Article 85/3 of the EEC Treaty, and only dealt with two of the four possible reasons which might justify such exemption.

However, he accepted the validity of the Commission's argument that the notification by which Distillers asked for an exemption was incomplete as it made no reference to price terms, and that this precluded the granting of an exemption.

He recommended that the appeal should be dismissed, and that Distillers should be ordered to pay the legal costs of the Commission and A. Bulloch and Co., who intervened in the appeal.

Sanctions papers stay with Shell, BP

By Raymond Hughes, Law Courts Correspondent

SHELL AND BP have successfully resisted a second attempt by Lonrho to compel them to disclose documents prepared for the Bingham inquiry into Rhodesian sanctions busting.

The Court of Appeal yesterday upheld a claim that the documents are covered by Crown privilege and cannot be made public.

A claim of Crown privilege is made when the Government considers disclosure would not be in the public interest.

Lonrho said the documents were crucial to its £100m damages claim against Shell, BP and 27 other oil companies over alleged sanctions busting.

It will challenge yesterday's decision in the House of Lords next month, at the same time as it appeals against an earlier ruling that Shell and BP cannot be compelled to disclose documents belonging to their Rhodesian and South African subsidiaries.

The Crown Privilege claim was upheld last week by the High Court.

Assurance

Dismissing the appeal with costs the Master of the Rolls, Lord Denning, said Shell and BP had been assured that their evidence to the Bingham inquiry would be confidential.

Relying on that assurance the two companies had co-operated fully with the inquiry, providing information which would not otherwise have been available. For the sake of future similar inquiries set up by the Government it was of the highest public interest that confidentiality should be maintained and not broken into by any specious argument, said Lord Denning.

He rejected Lonrho's contention that the oil companies had waived confidentiality by consenting to publication of the Bingham Report, which included extracts from their evidence.

Shell and BP had been asked by the Government to agree to publication of the report, he said. They had done so, but expressly limited their consent to the actual report, excluding the documents and transcripts of evidence on which it was based.

"It seems to me that this was a very wise and sensible limitation on their consent," said Lord Denning. "The very thing they feared all along was that, unless it was confidential, Lonrho might try to get hold of more of this material. There is no reason why they should not withhold their consent to publication of any further matters."

Lonrho's claim against Shell and BP is due to go to arbitration in June. Its court action against the other 27 oil companies is awaiting the outcome of the arbitration.

Tax changes urged for financial sector

By Eric Short

AN URGENT call for the Government to extend to the financial sector the application of stock relief in assessing company taxation is made by the British Insurance Association in its budget submission to Sir Geoffrey Howe, the Chancellor.

The BIA said that by permitting stock relief, industrial and commercial companies were able to meet the cost of maintaining their business in an inflationary era. Insurance and other financial companies had similar problems in preserving the real level of business, but no equivalent tax relief was available.

The Chancellor was also urged by the association to consider changes in the imputation system and to recognise the overseas earnings of UK insurance companies. The present system imposes a tax charge on companies which derive a substantial part of their income from abroad. But companies earning most of their income in the UK are charged normal corporation tax.

The BIA also suggested other tax changes, including the removal of National Insurance Surcharge. It felt this tax both deterred employers increasing their staff and was an additional constraint on UK exports.

ICI plans £20m resin factory

HUMPHREYS and Glasgow will build ICI's proposed new £20m resin plant near the Stowmarket, Suffolk, paint factory site.

Subject to planning permission, work will start next month and finish in Spring 1982. About 30 jobs will be created in the factory, which will produce paint resin for local and overseas markets.

Chemical industry investment likely to fall

By Sue Cameron, Chemicals Correspondent

THE CHEMICAL Industries Association survey of investment intentions by its member companies to be published today is expected to show a sharp drop in capital spending in real terms.

The survey is believed to show that the sum invested by UK chemical companies last year was marginally lower than the amount spent in 1978 in money terms and substantially lower in real terms.

It is thought the survey projects a further cut in real terms of chemical industry investment this year, with the downward trend in spending continuing until 1982 at least.

But the survey is also expected to show chemical companies were still the highest investors to British industry last year. In 1978 the industry spent £1,097bn - about 20 per cent of all UK manufacturing invest-

ment. The investment survey carried out by the Chemical Industries Association last year projected a slight decrease in chemical industry spending by about 1981. But today's survey is likely to show that the downturn has come much more quickly.

During the last year UK chemical companies have been hard hit by the strength of sterling and the dramatic increase in the cost of raw materials, notably the oil-based naphtha that is vital for petrochemicals production.

These two factors are curbing company profits and this is expected to inhibit fixed capital spending.

The threat of cheap chemical imports from the U.S.-based on comparatively low Government-controlled energy prices in America-may also be acting as a deterrent to new investment.

Some major UK chemical companies believe that U.S. producers will continue to enjoy low oil and gas prices for the greater part of the coming decade - despite President Carter's current plans to decontrol energy prices by 1985. They say this will mean there is a continuing danger of cut-price imports from the U.S. disrupting British markets.

The poor performance of the UK construction industry may also be dissuading chemical companies from investing in Britain. A further factor could

be the much-heralded recession, which would lead to a drop in demand for chemical products.

Today's survey is expected to project a substantial rise in chemical industry investment in cash terms.

The Chemical Industries Association publishes an investment survey every year. The survey is based on the declared investment intentions of the association's member companies and is not a forecast as such. It covers spending projects only in the UK.

Agreements and leases affect-

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Britain's nature reserves face an uncertain future, the Nature Conservancy Council warns in its annual report published today.

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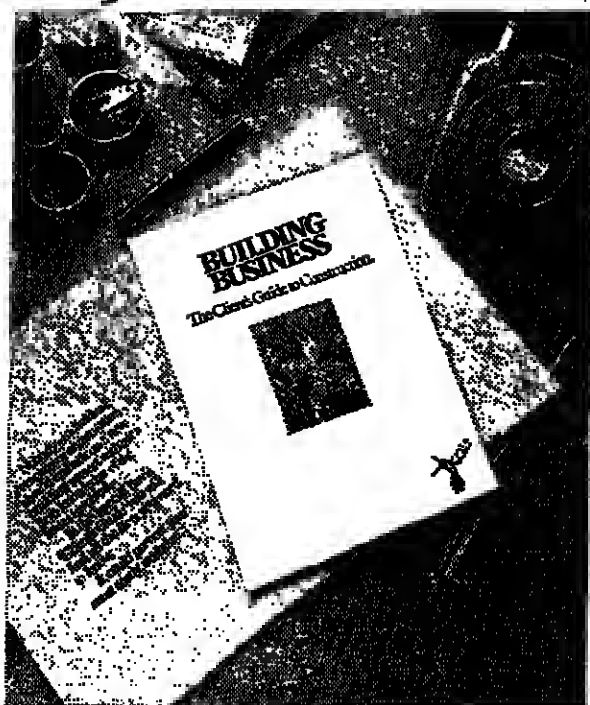
that the 'owner' remains outside of the entire building process and only comes in at the end when it is too late for him to make any contribution.

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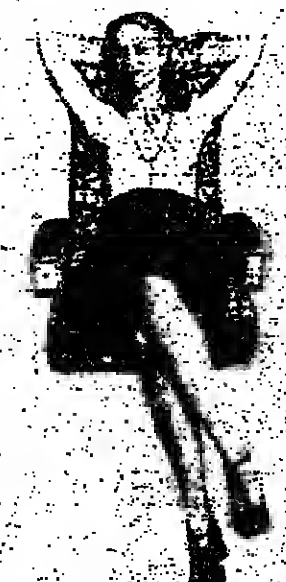
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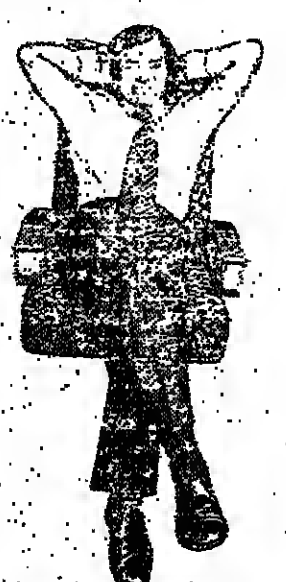


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Honda confident Bounty will survive 'BL crisis'

BY JOHN ELLIOTT IN TOKYO

HONDA IS confident that UK production of its new saloon motor car known as Bounty, which is due to start at BL's Cowley plants in the middle of next year, will survive any crisis that the British company may face in the next couple of years.

Maximum output of the Bounty is planned to be about 80,000 compared with 200,000 for the Metro.

Following the signing of the licence agreement between the two companies at the end of December, BL executives working with Honda, which plans to send 30 or 40 Japanese managers and engineers to Oxford later this year to help launch the car.

Although no details of the agreement are available, it is understood that there are arrangements, which would necessarily have been approved by the British Government, to provide a measure of protection for Honda's position should a crisis at BL put the future of the car's European sales in danger.

BL holds the right to sell the new car not only in the UK but also in other EEC countries.

Mr. Noboru Okamura, Honda's senior managing director, said

yesterday at Honda's Saitama factory outside Tokyo that his company would carefully monitor BL's performance in Europe. He indicated that he would want to review the arrangement if BL was not successful with foreign sales.

He would not be drawn on the details of what would happen should BL hit new crises in the next couple of years, but indicated that he was happy with indemnity and other arrangements that had been settled.

This could mean that Honda might reconsider continuing producing the Bounty in the UK should BL's problems put its future at risk.

Quality

In London BL said the indemnities were the normal commercial arrangements contained in any contract. Clearly, there have been discussions about what would happen if BL were forced to pull out of Cowley, and it is widely assumed that an offer from Honda to purchase part of the factory could be one option.

Honda will also keep a close watch on the quality of the cars made at Cowley, although Mr.

Okamura stressed that his company was not responsible for the cars produced by BL. He gave the impression that Honda was specially concerned about the quality that could be achieved in the UK. "Both companies have agreed that quality is the most important thing," he declared.

Talks are now taking place between the two companies on the pricing of the car and on various production arrangements. Honda is providing BL with jigs and tools, but BL will use its own production-line equipment for welding and other work.

Mr. Okamura emphasised that decisions on manning, labour relations, and production management were the responsibility of BL and not Honda. This meant that Cowley would not come under pressure to adopt Japanese-style personnel practices such as suggestion schemes and company slogans like "proceed always with ambition and youthfulness" and "strive constantly for a harmonious flow of work."

There is no plan for Honda to have Japanese executives stationed permanently in the UK. The 30 or 40 who will arrive later this year to help set up the production line are expected to return to Japan after a few months.

BR banks on making steam pay

Financial Times Reporter

BRITISH RAIL hopes to make a profit of up to £500,000 by returning to the age of steam.

It plans to spend nearly £1m on the Liverpool to Manchester line this month to stage a second Rainhill Trials, with copies of three original locomotives.

Stevenson's Rocket, the Novelty, and the Sans Pareil will ride again near Liverpool, on March 24 to 26, to re-enact the 1825 trials.

British Rail expects to attract 1.5m people to the event, to mark its 150th anniversary. Although tickets for the mile-long grandstand will cost from £10 to £6, advance bookings have already reached £500,000.

Sir Peter Parker, British Rail chairman, says the celebrations, which will continue throughout the year, will "set the cash this ringing merrily."

The £1m investment in old fashioned machines has taken some nerve, but "We take risks at British Rail. That is how it is and how it will always be."

Visitors to Rainhill will see more than 30 steam locomotives. On September 14, a train of historic locomotives will run from Liverpool to Manchester, to mark the opening of the line in 1825.

News Analysis • David Churchill looks at the fast-food boom

Drive-away potatoes

THE BRITISH School of Motor-ing yesterday became the latest UK company to enter the rapidly growing "fast food" industry, which is estimated to have annual sales, together with take-away goods, of more than £500m a year.

BSM, which is the world's largest driving school, has linked up with a small Edinburgh-based fast-food chain which sells haked potatoes with various fillings, ranging from cheese to coleslaw and shrimps. BSM plans to develop a chain of fast-food outlets, trading under the name "Spud-U-Like."

Some will be owned by the company and some operated as franchised outlets. The first outlet outside Scotland is expected to be opened in London before the end of the year. More will follow in 1981. A typical franchise holder will need up to £25,000 capital to invest in the business, while BSM itself plans to spend about £750,000 on building up its own outlets.

BSM's decision to enter the fiercely-competitive fast-food industry came as a surprise to the trade because BSM has no previous experience in catering. But Mr. David Acheson, BSM's managing director, said yesterday that the company had considerable experience in retailing a service — driving lessons — which it believed could be

transferred to fast-food retailing.

Mr. Acheson also has several years experience with both the Wimpy and Kentucky Fried Chicken fast-food chains, as well as being a former chairman of the British Franchise Association.

BSM's move into fast-food has been preceded by a host of other UK and U.S. companies eager to take advantage of the potential growth in the market over the next decade.

Major UK companies which have interests in fast-food include the Bejam freezer centre chain, Grand Metropolitan Hotels, United Biscuits, and the Tesco and Asda grocery chains. There are also several fast-food chains in the UK which originated in the U.S., such as Kentucky Fried Chicken, McDonalds, and Wendy's.

According to the Mintel market research company, the total UK market is worth some £400m a year, although it is acknowledged that the rapid growth of the sector has made it difficult to quantify.

It is estimated that there are about 10,000 traditional fish and chip shops — which account for about half the £400m turnover — with 3,000 Chinese, 2,000 Indian or Pakistani, 1,000 chicken, and 1,400 hamburger and other outlets.

The total market size has been growing by about 12 per

cent per year by value over the past three years — with most of this growth accounted for by the development of the newer hamburger, fast-food outlets, such as McDonald's or Burger King.

The accelerating growth of fast-food outlets in the UK — which closely follows the pattern already established in the U.S. — is due to a combination of several factors.

The increasing standard of living — in spite of economic recessions — has made more people want to eat out. But at the same time, rising restaurant prices have meant that the relatively low-priced fast-food outlets have gained in popularity.

As market demand for fast-foods has risen, so many companies have been attracted into the area as a means of diversification into a growth market.

The problem, however, is that rapid expansion to meet the fast-growing market has needed substantial capital investment. At the same time,

rapid development of a chain of fast-food outlets has exposed the problem of finding good management.

The solution adopted in most cases is to encourage expansion through franchising. The franchise holder puts up most of the initial capital investment for a fast-food outlet — in the case of a Kentucky Fried Chicken store this can be around £30,000 — and at the same time is motivated to work long hours by the fact that it is his own business. Profits from a good site with a hard-working owner can be as high as 40 per cent of turnover before tax.

There seems little doubt that the fast-food market will continue to grow in the 1980s — but possibly not as fast as in the late 1970s. As the market becomes increasingly crowded, there is a danger of supply exceeding demand.

With high interest rates on money borrowed to finance premises and equipment, many fast-food operations could be quickly forced out of business.

Gallagher puts up tobacco prices

GALLAGHER has followed Imperial Group and Carreras Rothmans in announcing tobacco price rises. From today, recommended retail prices of most

Gallagher brands will go up by 2p for 20, making Benson and Hedges Special Filter 69p and Silk Cut King Size 88p. Cigars will go up by 2p for five and pipe tobacco by 2p for 25 grams.

Making professional use of investment property

THE REVIVAL of British industrial and business performance through a more professional approach to investment in buildings is the subject of a two-day conference later this month, organised by the Financial Times.

Business Premises and Profitability, to be chaired in London by Sir John Greenbrough, president of the Confederation of British Industry, and Sir Maurice Laing, president of the Federation of Civil Engineering Contractors, will examine the importance of better buildings for industry. The conference will be at the Hilton Hotel on March 24 and 25.

A recent National Economic Development Office report disclosed substantial potential for companies to increase productivity and profits through the more efficient use of business premises. The unsuitability of outdated factory design and layout for efficient production and distribution was often

shown to be the major constraint on profit growth and a hindrance to good industrial relations.

In many cases companies which had invested in better buildings had realised productivity and profit gains well above expectations.

Hauliers plan anti-crime week

THE Road Haulage Association's week long Hands Off Our Freight campaign against crime will be opened on April 21 by Essex chief constable, says Mr. R. S. Sneyd, RHA security committee chairman, Mr. Jack Brown, said.

The campaign is part of the security committee's 21st anniversary celebrations. There will also be a special meeting on security for hauliers at the International Fire, Security and Safety Exhibition and Conference at Olympia in April.

APPOINTMENTS

Ash & Lacy group managing director

Mr. David S. L. Fletcher has been appointed group managing director, and Mr. James E. Philpotts, deputy group managing director, of ASH AND LACY, following the recent appointment of Mr. Fane Vernon as executive chairman of British Dredging Company.

Following the acquisition by Humphries Holdings (BET Group) of a majority shareholding in IVS (UK) from International Video Systems, a new Board has been formed for IVS (UK) with Mr. Colin Wilks as chairman. Other members of the reconstructed Board are Mr. John Jeffrey, managing director of Humphries Film Laboratories, Mr. Rex Ebbetts, chairman and managing director of Filmatic Laboratories, with Mr. Peter Funk and Mr. John Offord, who continue as directors. Mr. Alastair Bows is general manager of IVS (UK). Mr. Chris Parkiss, marketing manager, Mr. Peter Horton, operations manager, and Mr. Peter Chalmers, technical manager.

Mr. Francis Perkins is to retire as chairman of the BRITISH INSURANCE BROKERS' ASSOCIATION in the early Autumn and he will be succeeded by Mr. Ian Findlay in a non-executive capacity. Mr. Findlay is a former chairman of Price Forbes Holdings and of Sedgwick Forbes Holdings — and was chairman of Lloyd's in 1978 and 1979. The executive position of Mr. Perkins at BEBA will be taken up by the appointment in June of Mr. Michael Morris as director-general. Mr. Morris, now under secretary of the shipping policy division, Department of Trade, was under secretary of the insurance division from 1973-1978. Mr. Alan Teale will become director of technical services and overseas affairs.

Following the recent acquisition by the Rank Organisation of R. D. INGHAM AND CO., Mr. R. D. Perkins, previously sales director, has been appointed director and general manager of Ingham.

Mr. Charles Wodehouse has been appointed assistant executive director and head of marketing division of ABBEY LIFE ASSURANCE COMPANY from April 1.

Mr. John E. Critch, previously managing director of Heenan Drives, has been appointed to the new position of director of special projects, reporting to Mr. V. John Osola, group chief executive of REDMAN HEENAN INTERNATIONAL. Mr. Critch has also been made a director of Redman Heenan Limited, the RHD group advisory services subsidiary. Mr. Laurence G. Cox has joined the

RHI group to become managing director of Heenan Drives. He has been with the Stanley Works of the U.S. for the past 15 years.

Mr. Peter Sample has joined the "TECALEMIT" GROUP as managing director of its electronics activity. He was previously with RACAL-MESL.

Mr. J. W. English has become a director of CAPPER PIPE SERVICE, member of the Capper Neill Group. He has been succeeded as managing director of Capper Pipe Service (Western) by Mr. J. Parker. Mr. G. H. Witham, a director of Capper Pipe Service, has additionally been appointed managing director of Capper Pipe Service (Northern Ireland) and Capper Pipe Service (Ireland). Mr. J. J. Lathwaite has been made a director of Capper Pipe Service (Northern) and Capper Pipe Service (Scotland). Mr. R. J. Y. Hughes becomes sales director responsible for the whole division's sales.

Mr. John Willcock has been appointed a director of MANOR NATIONAL GROUP MOTORS.

Sir Jack Lyons has resigned as a director of UDS GROUP with effect from the company's next annual meeting. Sir Jack wishes to devote more of his time to his other commercial interests and to his public service activities. Sir Jack does not intend to dispose of his UDS stockholding.

TENNECO INC., of Houston Texas, has established a European Advisory Council consisting of 12 members. Representing the company are Mr. James Ketelsen, Mr. John Diesel and Mr. Ralph W. Cousins, who will be chairman of the Council. European members are Mr. Pierre Bataille, Mr. Peter Gyllenhammar, Sir Barrie Heath, Mr. Walther Kneip, Mr. Max Kreile, Mr. David Livingstone, Mr. Roger Martin, Mr. Michael Shanks and Professor Dr. Joachim Zahn.

Mr. D. W. Kendrick, general manager responsible for the overseas division of Lloyd's Bank, has been appointed a director of GRINDLARS BANK and GRINDLARS HOLDINGS following the death of Mr. E. O. L. Vaughan.

MARDON PACKAGING INTERNATIONAL states that Mr. Clive Button has been appointed managing director of Gundell Plastics succeeding Mr. Lewis, who has left the group for his own business. Mr. Don Gordon-Giles has joined the Board of Mardon Composites.



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*Motor ***Manufacturer's figures. **Official Government figures. Giulietta 1.6: Urban cycle 26.2mpg (10.8L/100km). Constant 56mph (90km/h) 40.4mpg (7.0L/100km). Constant 75mph (120km/h) 29.7mpg (9.5L/100km).

UK NEWS—PARLIAMENT and POLITICS

Healey calls for tax on profits

BY RICHARD EVANS, LOBBY EDITOR

THE BANK OF JAPAN's month-long prompt Bank of another discount few day The price in from Ja rose 2 increase a 3.9 pe 1974, dr At 127.2 cent his (1975 s The that w have a reflector, stum climb month, modifi the eco While Govern

MR. DENIS HEALEY, the Shadow Chancellor, yesterday urged the Government to tax bank, oil and gas profits rather than embark on a further "disastrous" squeeze of cash limits.

At a special meeting of the Parliamentary Labour Party to discuss the Budget, Mr. Healey agreed that Labour should resist strongly any move by the Government not to increase personal tax allowances in line with inflation and provided for in the Rooker-Wise amendment to his 1977 Finance Act.

Some Labour MPs at the meeting called for increased import controls. Mr. Healey argued that this was not a simple matter. He also repeated his views that some kind of incomes policy was essential to solving Britain's economic problems.

Mr. Healey said pay increases would have to be brought more directly into line with productivity deals.

Pressure to increase child benefits

By Elinor Goodman

THE OPPOSITION will next week try to harness Conservative backbench pressure for a big increase in 'Child Benefits' in an attempt to tie the Government's hands before the Budget. This is expected to move a new clause in the Social Security Bill (Report Stage) urging the Government to increase child benefit to make up for the effect of inflation since the last rise.

Labour may, however, lessen the chances of getting any Tory support for the clause by putting too high a figure on the proposed increase. Even so, the debate may add to the pressure on the Chancellor to include a sizeable increase in child benefit in the Budget.

A number of the new intake of younger Conservative backbenchers have been lobbying behind the scenes for an increase of at least £1 in child benefit.

Havers criticised for ducking picketing issue

By Elinor Goodman, Lobby Staff

THE ATTORNEY General was accused yesterday of ducking sensitive issues by refusing to be cross-examined by the Select Committee on Employment on the workings of the Employment Bill.

His decision was criticised by Conservatives as well as Labour members of the Committee who claimed that it left a question mark over whether key sections of the Bill dealing with picketing could be enforced.

Mr. John Goring, the Labour Chairman of the Committee and himself a former junior Employment Minister, said he was bitterly disappointed by Sir Michael Havers' decision and that he could only assume it was because the Government was unable to answer the three points which the Committee had said they wanted to ask

him, to the light of last month's evidence from Sir David McNeeney, the Commissioner of Police.

Mr. John Goring, Conservative Vice-Chairman of the Committee, echoed Mr. Goring's disappointment. "The Government," he said, "was in danger of enacting laws which were 'unenforceable and unworkable'."

Last month Sir David told the Committee that the police could not be expected to ask a picket for his name and address so as to enable an employer to serve an injunction against him. One alternative suggested was that cameras might be used to identify pickets but Mr. Goring argued yesterday that there would be nothing to stop all the pickets turning up in masks—preferably of Mrs. Thatcher or

Jim Prior—and this would make it impossible to enforce the civil law.

The Committee wrote to the Attorney General asking him three specific points, the last of which specifically related to the procedure enabling an employer to identify the person against whom he wanted to take an injunction.

Sir Michael Havers wrote back saying that his duties as Attorney General did not require him to submit to a wide ranging cross examination by Select Committee. If he was required to give advice, the standing committee on the Employment Bill would be the proper place to give it.

Mr. Goring agreed yesterday that Sir Michael had the right to refuse to attend, but he said that he personally interpreted his refusal as an indication of the Government's inability to answer the points raised by the Committee.

The Attorney General's rejection of the Committee's invitation was one of two brushes the Committee had with Ministers yesterday as it tried to flex its muscles as one of the new departmental select committees.

At its session Labour members accused the Earl of Gowrie, the Minister of State for Employment, of failing to do his homework properly before addressing the Committee. Questioned about the difference between the budget authorised for next year for the Manpower Services Commission and the amount the Commission wanted, Mr. Goring claimed the Minister got lost in a muddle.

He said he would have expected the Minister to "carry in his head the reason for having knocked £44m off the MSC's request for £684m."

Lord Gowrie replied that he was perfectly happy to explain his thinking on policy and provide figures to the Committee but that he was not on "Mastermind." If the Committee wanted precise figures in some areas it was better that they should wait and get the right ones rather than risk being given the wrong ones off the cuff.

Pensions proposals scrapped

By Richard Evans, Lobby Editor

THE GOVERNMENT has scrapped proposals to pay retirement pensions fortnightly in a move that will lift the threat of closure from sub post offices.

Mr. Patrick Jenkin, Social Services Secretary, announced yesterday that pensioners would be able to carry on drawing their pensions weekly across Post Office counters.

The decision rejects a proposal made by Sir Derek Rayner, the Government's efficiency adviser, as part of a cost-cutting exercise.

This had aroused fierce opposition both inside and outside Parliament and there had been fears that it would result in widespread closures of sub Post Offices, particularly in small villages, which depended on revenue from weekly pension transactions to stay in business.

Some of the strongest opposition came from Conservative MPs representing country constituencies. Mr. Jenkin acknowledged that the views expressed in Parliament and the campaign waged by sub post masters had resulted in the Government's decision to abandon the fortnightly payments plan.

The whole Rayner package, if implemented, could save around £50m a year but Mr. Jenkin's civil servants admitted yesterday that £15m of this had been lost by the pensions decision.

Other decisions on the payment of benefits have yet to be made but Mr. Jenkin hinted that he remained in favour of the fortnightly payment of child benefit as this rarely provided the mainstay of family income. This would have an estimated £12.8m.

Incomes policy needed, says Dell

By David Marsh

THE GOVERNMENT may soon need an incomes policy to bolster its fight against inflation, Mr. Edmund Dell, executive chairman of the Guinness Peat Group and Trade Secretary in the last Labour Government, said yesterday.

A "pre-natal" incomes policy already existed in the form of government advice on pay to nationalised industries, Mr. Dell told a London seminar at the English-Speaking Union. He felt a need for this sort of guidance to be strengthened in the present economic climate, especially since the Government was not being very successful in controlling money supply.

PM's grim warning on change

By Richard Evans, Lobby Editor

THE PRIME MINISTER delivered a stark warning to the country on television last night: it was "change cannot be painless."

The first party political broadcast in which Mrs. Thatcher has appeared since becoming Premier was transmitted on the eve of the key Southend East by-election but there were few signs of electioneering or vote-calling.

The grim message was that things would get worse before they got better, but the Government would not be deflected from its purpose.

"We did not promise you instant sunshine. We pointed out over and over again that a nation cannot accelerate downhill for years and then jam the brakes on and suddenly return to prosperity, as though the past had never happened," she declared.

"We had to start by slowing down before turning round and beginning the long slow climb back up the hill to recovery. Change can't be painless particularly at a time of world recession and rapidly rising oil prices."

The broadcast was seen by Conservative Party officials as the start of a series of speeches and interviews in which the Prime Minister will hammer home the message that the illusion of the past must be shed.

Her theme was that the Government had inherited a disastrous and worsening industrial and economic situation and had no option but to implement new policies.

"We are paying the price for years and years of make-believe and now all the problems of those years have come home to roost. No wonder you agreed it was time for a change."

There was an implicit acceptance that things had not gone as well as anticipated when the Prime Minister posed a series of questions on whether the Conservative philosophy was failing or succeeding.

She asked whether the Government was giving the country the leadership it had needed for so long and whether it was living up to the promises made at the General Election last May.

She went out of her way by reminding the electorate of the Government's inheritance after "the appalling winter of discontent" from which the country had just emerged, scared and shaken.

In her view the choice was clear. "The country could continue on the way it had been going for years buying its way out of trouble by borrowing more money and doing nothing about crippling industrial strife. We could carry on doing all these things until the economy finally collapsed."

Or, by a huge effort of national will, the country could stop the rot and change direction. This was the task set for the Conservative Government. She admitted that prices were still going up, unemployment was still rising, there was a prolonged and damaging strike but "change cannot be painless."

The Prime Minister also stressed the need for the Government to introduce change as humanely as possible so that those who could not look after themselves were properly cared for and protected.

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THATCHER: "change can't be painless."

This clearly followed criticism from some Tory MPs that the Government was gaining a reputation for being cold and unfeeling.

"The Government has to strike a balance and this is what we are doing. I am afraid some things will get worse before they get better."

But she saw the first signs of common sense breaking through in places and gave examples of the Sheerness steel

works which has kept in operation during the strike, recent decisions by the workforce at British Leyland and the decision of South Wales miners not to strike on behalf of steelworkers. Mrs. Thatcher claimed that despite current economic and industrial difficulties, the Government was pointing the way to a free, strong and independent future. "We will not be deflected from that purpose."

Backbench demand on EEC budget

By John Hunt, Parliamentary Correspondent

THERE WAS a demand from the Conservative backbenches yesterday for tough Government action if Britain fails to get a full reduction in its EEC budget contributions at the Community summit later this month.

Mr. Tony Marlow (C, Northampton North) said that there was no satisfactory solution to the Government's problem of contributing to the Community's VAT payments to the Community as suggested by Mr. James Callaghan, leader of the opposition.

Mr. Marlow believed that this proposal would find a great deal of support on the Conservative side of the House.

He urged the Government to insist on the "slaughter" of the Common Agricultural Policy so that Britain could get equity in its dealings with the EEC.

His suggestions drew a non-committal response from Sir Ian Gilmour, Deputy Foreign Secretary, who said that the Prime Minister had put Britain's case strongly to the Community. The Government was working for an equitable solution and aimed to achieve it at the Brussels summit.

Labour backbenchers also urged a strong British line at the summit, but Sir Ian told them: "We are negotiating in our own way—firmly and sensibly. We don't believe the uttering of impotent threats is the right way to proceed."

But Mr. Peter Shore, Labour's Foreign Affairs spokesman, demanded: "What about uttering a few potent threats instead?" He maintained that the remedy lay very firmly in the Government's own hands, as it was our own money that was being dealt with.

"Why don't we make it plain that we shall jolly well see to it that we will achieve a broad balance by our own acts?" he asked.

Mr. William Hamilton (Lab, Fife Central) argued that the Prime Minister had "blown hot and cold" on this matter for months, without a single positive result. He called for a much more aggressive and robust attitude, particularly towards the French Government.

Sir Ian told him: "I don't agree that the Prime Minister has blown hot and cold. She has been singularly strong and consistent on this matter throughout."

From the Labour front bench, Mrs. Gwyneth Dunwoody, com-

plained that the EEC system of "own resources" was crazy and worked against Britain's interests. The Government should look for some other means of financing the Community, she said.

The Minister, however, did not agree that it was a crazy system. Britain was seeking to adjust it, but that did not mean that it was wrong in itself.

Mr. John Evans (Lab, Newton) asked Sir Ian to confirm that the suggestion that Britain was seeking to jolt the European Monetary System was

"simply a wicked rumour" put out by the Foreign Office. He wanted Sir Ian to say that Britain had no intention whatever of joining that particular European snake.

But Sir Ian would give no such confirmation. "We have said before that the European Monetary System is something to which we are extremely favourably disposed and which we have been considering for some time," he emphasised.

Mr. Shore intervened to say that this "great enthusiasm of the Government" for the EMS would come as a considerable surprise to Members on both sides of the House. He said there should be no agreement on Britain's joining until the matter had been fully debated in the Commons.

The Minister, however, thought that Mr. Shore was getting over-excited. "It has always been our position on the EMS that we would join when conditions permit," he said. "At present, we cannot tell when conditions will permit us to join."

Once you've bought a lift truck, then you'll really start paying for it.



And those payments go on and on. During its life the lift truck is continually depreciating in value. Literally turning a large capital sum into useless scrap. Not only that but as the lift truck gets older it requires increasing attention. Successively higher costs are incurred from parts, labour, service, replacement trucks and the time-consuming administration involved.

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Harvey

Why buy when Harvey hire.

Sheffield steel pickets arrested

BY OUR LABOUR CORRESPONDENT

FIFTY-NINE steel pickets were arrested in Sheffield during a mass demonstration by about 1,000 strikers outside Hadfields, the private steel company yesterday.

Two policemen were taken to hospital as the steelworkers tried to confront Hadfields' employees arriving for the afternoon shift.

The police said flying pickets had arrived in coaches from all parts of the North to converge on the area.

After the demonstration, the strikers moved to other factories. They then went to the British Steel Corporation divisional headquarters in Rotherham.

Members of the Transport and General Workers Union this week joined the Iron and Steel Trades Confederation and National Union of Blastfurnace men in a renewed attempt to hit steel users in the Sheffield area.

Several thousand pickets went into action outside engineering works on Tuesday and a TGWU spokesman said more members reported for picket duty yesterday.

At Ipswich, dock police were called after flying pickets from Scunthorpe threatened to block lorries leaving the port.

Assurance

The pickets said dockworkers had broken a pledge not to unload steel supplies. One lorry carrying steel was escorted through the picket line against a background of jeering.

Mr. George Wright, general secretary of the Wales TUC and TGWU Welsh regional secretary, assured steel strikers in Swansea yesterday that his union was tightening up the picketing of Welsh steel plants.

The TGWU would discipline lorry drivers who crossed picket lines, he said.

Shorter working week for nurses

UNION leaders yesterday welcomed a breakthrough which will enable health authorities to reduce the working hours of nurses from next month.

A national 37½-hour week for nurses will take effect from April 1981, but union leaders have been campaigning for an earlier reduction in their existing 40-hour week.

The Department of Health and Social Security has agreed that a 37½-hour week can be implemented from next month wherever local conditions make this possible.

Mr. David Williams, assistant general secretary of the Confederation of Health Service Employees and chairman of the staff side negotiators, said: "We are particularly pleased to make this justified breakthrough which has separated the working hours claim from the pay claim, still to be settled."

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Short-time for tractor workers

By Maurice Samuelson

NEARLY 800 employees at International Harvester's two tractor assembly factories at Doncaster will lose a day's work this week and next as the company slows production to conserve key components.

The company, with an annual turnover of about £175m, normally produces 110 tractors a day. Short-time working had initially been planned for last week.

International Harvester, with 3,500 hourly paid staff, is Doncaster's biggest private employer. There is a smaller plant at Bradford.

Guest, Keen and Nettifolds have re-employed all but 70 of the 1,300 people laid off at Bromsgrove and Darlaston forges in the Midlands.

However, there are still about 4,000 people on short time. GKN's pressings side depends on supplies from BSC and stocks for some lines could become critical "in days or a couple of weeks."

Lucas Industries is one of the majority of companies which says it is working normally. It says it will make no lay offs but fears the "knock-on effect" of strike to its customers in the motor industry.

The return to work of most private steelmakers has eased supply problems, particularly for reinforced steel. There is estimated to be sufficient stocks for six to 10 weeks' work.

There are serious shortages of sheet steel piling, used for foundation work in many major civil engineering and larger building contracts.

CANNING: Most major food manufacturers are affected, especially East Anglian canning plants such as Spillers and Smalley HP Metal Box, which produces most tins used by canners, has only six of its 24 factories unaffected.

But stocks held by food manufacturers and supermarkets are understood to be sufficient for at least another three weeks.

SHIPBUILDING: So far only Austin and Pickersgill has been affected. Last month it put its 2,000 workforce on a three-day week. Appleford Shipbuilders in Devon, which uses about 400 tons of steel a week, says the strike is starting to bite. But it is still some way off putting its workforce on short-time. In Scotland, Govan Shipbuilders said earlier this week it could carry on for some time.

RAIL: Steel rails and some special steels used in British Rail workshops are in short supply. BR's income from carrying steel rails and raw materials has fallen by £20m since the strike began.

ELECTRICITY: The Central Electricity Generating Board—which satisfied a record peak demand of 44,219 MW in January—estimates that the strike cut peak demand by as much as 1,500 MW. Peak demand is now thought to be 1,300 MW lower than normal.

COAL: The coal industry has faced cash-flow difficulties because of a sharp fall in coking coal deliveries. But reduced demand has not affected production. The National Coal Board has been either stockpiling its surplus coking coal or blending it with other coals for use in power stations. Nor has the Board yet suffered from a shortage of steel products used in mining.

TUC urges 'windfall tax' in Budget

BY CHRISTIAN TYLER, LABOUR EDITOR

A TAX on the "windfall profits" of banks and oil companies and a "more realistic" growth of the money supply should be a priority in the Budget, the TUC said yesterday.

It also called for urgent Government action "to stem the flood-tide of imports."

Mr. Len Murray, TUC general secretary, wrote to the Chancellor after TUC leaders debated what they described as "the massive and exorbitant profits" being announced by the banks and oil companies.

The letter said oil companies were making extra profits not because they were more efficient, but because of the OPEC price increases.

"There is no reason why the most powerful multinational corporations in the world should profit at a time when private consumers are being hard hit by energy price rises, the public services are being hard hit and

productive industries are being squeezed to an unprecedented extent."

In the case of the banks they have been the automatic beneficiaries of the Government's restrictive monetary policy. The increase in the interest rates caused by the increase in the Minimum Lending Rate to 17 per cent has grossly inflated the banks' receipts.

The contrast between manufacturing industry on the one hand—in the straitjacket of high interest rates and an unrealistic high exchange rate—and the banks and the oil companies on the other hand could not be more stark.

Trade union alarm about imports, particularly of cars, motor tyres, coal, steel and textiles was reflected in the announcement by the TUC economic committee of a special survey of vulnerable industries.

The union's claim is for general rises of 25 per cent and more than 30 per cent on the present starting rate and on standard salary figures for cashiers.

Mr. Leif Mills, general secretary of the Banking, Insurance and Finance Union, said the union could not accept a 12-month deal which did not allow it to renegotiate increases during the year.

The union, which will meet today to discuss the offer, is issuing a newsletter saying it has serious reservations about the proposals.

Bank unions set to reject 17% pay rise offer

BY NICK GARNETT, LABOUR STAFF

THE FIVE principal English clearing banks yesterday offered a 17 per cent pay rise to their 180,000 clerical staff in response to claims ranging up to more than 30 per cent.

The management committees of the three staff associations operating in the banks will discuss the offer in the next few days and are certain to reject it.

Mr. Bob Carthy, general secretary of the National Westminster staff association and leader of the associations' negotiators, said the offer did not meet the claim for rises of 20 to 25 per cent for the four grades.

WOMEN will be the worst sufferers from Government policies on employment and the economy, Mr. Len Murray, TUC general secretary, warned yesterday.

He called for unity among the 3.5m women in the trade union movement, while speaking at a pre-conference meeting of 260 delegates to the 50th TUC women's conference, which starts in Brighton today.

The delegates will embark today on several major debates on the Employment Bill and public expenditure cuts, both of which several motions warn are a major threat to working women's rights.

Dissatisfaction with present Government policies was expressed most colourfully yesterday by a north country delegate. She shouted to Mr. Murray amid cheers when he referred to Mrs. Thatcher's

election as Prime Minister as "one step forward for Mrs. Thatcher and several steps backward for womankind."

Mrs. Marie Patterson, chairman of the conference, said a special leaflet for the shop floor would be issued, explaining the attack on working people and especially women in the Government's Employment Bill and economic policies.

Mr. Murray said that already "unemployment is hurting women harder than it is hurting the economy as a whole."

"Hard hit by the recession are industries like textile and clothing where women have predominated. Public expenditure cuts threaten other women's jobs—in the school meal service, to name but one."

Mr. Murray said the basic need was for a change in attitude toward working women, but he also made it clear that there was no room for trade union complacency.

There would be a reduction in the standard working week from 40 to 39 hours next January, with a further drop to 37½ hours in July, 1982.

The offer also includes consolidation of £3.96 of a flat rate supplement and, say the employers, "significant new measures" to improve productive efficiency through increased flexibility.

SOGAT and NATSOPA, which represent the majority of the workers involved, will ballot their members on the offer.

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Print unions offered 20.6% and cut in hours

By Alan Pike, Labour Correspondent

THE EXECUTIVE of the National Graphical Association will decide today whether to accept an offer giving pay increases of up to 20.6 per cent and a shorter working week to 180,000 general printing and provincial newspaper workers.

Leaders of the other unions involved—the Society of Graphical and Allied Trades and the National Society of Operative Printers, Graphical and Media Personnel—agreed early yesterday, at the end of a 13-hour negotiating session, to recommend the offer to their members.

The offer, from the British Printing Industries Federation and the Newspaper Society, would give craftsmen an extra £12.79 a week (20.8 per cent) and a new minimum earnings level of £75.

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Suppliers still meeting 'irregular' demand

BY OUR FINANCIAL STAFF

MAJOR STEEL stockholders are still able to meet most customers' requirements, although the strike is in its 11th week. At Bore Steel, the Birmingham stockholding subsidiary of United Spring and Steel, the situation is becoming critical. Suppliers that the group can obtain are quickly snapped up.

GKN Steelstock, the stockholding subsidiary of Guest, Keen and Nettifolds, has not been able to pinpoint a sales trend during the strike because demand is so irregular.

Customers undoubtedly overbought in January, Mr. Norman

Richards, Steelstock chairman said. Popular sizes are now being run down. "Some substitution is still possible in coil and, to a lesser extent, structural steel. It is amazing what people can do."

Even allowing for pre-strike stockpiling, GKN believes that the strike has underlined industry's inefficiency in carrying over-weight inventories.

"The fact that UK industry is still working after more than two months of a strike which affects us every 50 years indicates the confusion between the purchase price of steel and the cost of carrying stocks."

Export prospects at risk

BY RHYD DAVID

THE STEEL strike, coming after last year's engineering and haulage stoppages, was baring Britain's reputation as a supplier of goods and services, Sir John Methven, CBI director-general, said in Liverpool yesterday.

Sir John, who has just returned from Australia and New Zealand, said it was now very hard to convince buyers that the UK was a reliable supplier. Export prospects were risking long-term damage as a result of the strike.

Employers, managers, union leaders and employees should remember that, seen from abroad, Britain's strikes always looked more serious than they did at home.

Sir John, speaking at the North-West CBI's annual luncheon, praised the resource-

fulness of industry during the strike in maintaining output levels at 95 per cent of normal.

"This has been done through the ingenuity of those working in many different companies. It has been done by importing semi-manufactures instead of using our own steel—all affecting, for the worse, our balance of payments."

With the Budget now only two weeks away, Sir John confirmed CBI support for the Government's broad economic policies, though it is believed that members in the region had told him in a private session of growing reservations over the effects of current policies.

Sir John said it would be rash to expect everything to come right within nine months of the present government coming into office.

Discretion 'traditional'

THE English courts traditionally exercise discretion in favour of journalists unwilling to disclose their sources of information, a QC said in the High Court yesterday.

Only in cases of overriding public policy was that discretion withheld, said Mr. Alexander Irvine, QC, for Granada Television.

Mr. Irvine was opposing an application by the British Steel Corporation for an order requiring Granada to reveal who supplied "highly confidential" documents for use in a World in Action programme broadcast on February 4.

British Steel has complained that the documents, when returned after earlier court proceedings, had been "unintentionally and carelessly" making it impossible to identify the source of the leak.

The corporation suspects the source was an employee with "a keen sense of indignation" about dealings between it and the Government before and during the present strike.

Mr. Irvine read from a number of legal authorities which, he said, amply demonstrated the defined and recognised public interest in the freedom of the Press.

The hearing was adjourned until today.

Shotton site considered

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

British Aerospace is studying the possibility of acquiring another factory to help expand production of wings for the A-340 and A-350 European Airbus.

Sites under review include the BSC plant at Shotton, North Wales, which is due to close. Existing British Aerospace plants have also been considered for possible expansion.

The aerospace group stresses that the review is not yet complete, and no decisions have yet been taken, and may not be for some time. It denies that Shotton is the most favoured site, although it is high on the short-list.

The current order book for Airbus of all versions stands at 404 aircraft, for which British Aerospace, with a 20 per cent stake in the Airbus Industrie consortium, is making all the wings.

Current production at the British Aerospace Chester plant is about three wing sets a month, but this is to be increased progressively over the next year or two.

But if orders continue to flow in for the Airbus as rapidly as they have over the past year or so, Airbus Industrie itself is planning to raise production from three aircraft a month to reach ten a month by 1985.

Rockhouse recently reached an agreement with Renault to change the specification of anti-roll bars, supplied in volume to France. Mr. Parkes said his company and others were glad to make use of old stocks.

The exchange scheme, run by the Engineering Industries' Association, has also been used extensively. Companies offer unwanted steel to those needing it.

The Association, whose members are mainly smaller companies but include major users such as GKN said demand had increased recently, particularly for strip.

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THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

Ogilvy signs deal with China

OGILVY and Mather International has signed agreements with the Peking Advertising Corporation and the Guangdong Advertising Corporation to act as primary agency on their behalf within the EEC and in Australia and New Zealand.

The move reflects the growing speed with which the major agency networks in the West are forming relationships with China. O and M will be the main agency for placement of Chinese advertising in those areas. This will include promotion of Chinese tourism.

O and M claims to have closer ties with China than other agencies. According to Michael Ball, its executive director: "We were the first international agency to place advertising for Chinese products outside China or Hong Kong."

It says it was also one of the first to place advertising in China, on behalf of clients that include American Express, Mercedes Benz, Radio watches and Grundig.

● **LINTAS: LONDON** is planning a £750,000 relaunch campaign for Lever Brothers' Lifebuoy toilet soap. The brand was originally launched in 1930. Its current market share is 5 per cent in a market measured at 59m tons in 1978.

● **A SURVEY** by the Royal Institute of British Architects indicates that 47 per cent of the profession is in favour of Press advertising on behalf of members, though only 13 per cent favours advertising on local radio or TV. Nearly 60 per cent of members under 45 (and 57 per cent of salaried architects) favours Press advertising.

● **BURTON**, which spent £1m on Press, radio and TV last year, is running an experimental made-to-measure test campaign in Lancashire featuring comedian Les Dawson. The agency is McCormick International-Farner.



How do you choose when you haven't even heard of them?

The Sunday Times is picking up a head of steam again, after its absence last year, as witnessed by recent weighty issues of its colour magazine.

The Sunday Times magazine is virtually a medium in its own right," says Roger

Pratt, media director of The Kirkwood Company, explaining the agency's unusual step in deciding to concentrate an entire campaign, far French Appellation wine advertising, within the magazine.

The campaign is costing approximately £250,000, and

will involve a colour double spread each week for 23 weeks starting this Sunday. Six ads will appear in rotation, each featuring the wines of a different region of France.

According to Kirkwood: "Rather than run one

advertisement in six publications, we've chosen to run six in one. The magazine offers readership coverage among 50 per cent of frequent wine drinkers, and we were able to arrive at an extremely satisfactory financial arrangement."

NEW PRODUCTS: How many new food brands survive to show a profit? The answer is: even fewer than you think

How the odds are loaded

AS THE recession starts to bite, more and more companies will back track wistfully to the days, 10 or 15 years ago, when virtually anyone who was someone, and quite a few who weren't, had a share of the new product action, when life was easy and it was a relatively painless task to discover bright new gaps in the market.

It is not any more. A first-class guide to the minefield of new product development is provided in the transcript of a seminar organised by the Univas Company late last year, and in particular by the contribution to that seminar of John Madell, a director of the Boase Massini Pollitt Univas agency in London.

Specifically, he examined new product development in UK food markets over the past ten years in a bid to gauge how many new brands in fact survived, and why. The agency's research yielded a wealth of raw data. Much of it can be analysed further, but in summary, a number of key points have already emerged (remember, we are looking at fast-moving food products):

● On average, about 70 new brands are launched in Britain each year.

● Whilst around half of them survive at least for a period, only 4 per cent achieve a retail turnover of £4m-plus.

● For manufacturers diversifying out of their main field of

expertise, the odds are much worse, probably in the region of 5 in 1,000.

● Brands creating new markets accounted for only eight out of 31 successes during this period, around 25 per cent.

● Genuine manufacturing innovation, while accounting for only six successes, produced by far the largest new brands.

● The largest number of successful new brands came from the use of existing technology and materials.

● Growth markets, such as new food trends, accounted for only six successes.

● In contrast, static or sleeping markets yield a significant proportion of successful new brands.

How did BMPU approach this huge research task? First, it restricted itself to those products that had been advertised. One reason was that it was interested primarily in the activity and success rate of major fast-moving packaged goods manufacturers, and so the criterion of an advertised launch seemed appropriate.

Even after eliminating problem categories like snacks and confectionery, as well as fragmented regional and commodity markets, Mr. Madell was still left with 31 food categories. Between 1969 and 1978, Mr. Madell found that within the 31 markets covered, there were 730 advertised new product launches, or an average of 73 a year. The most active years were 1971 (94 such launches) and 1972 (82); the low points were 1969 (53) and 1975 (55).

On average, 52 per cent of products launched in each of these years had survived to the end of the period, although the percentage of survivors naturally increases from year to year as the time scale grows shorter—only 15 of the 53 brands launched in 1969 were still alive in 1978, against 33 of the 55 launched in 1975. (1972 and 1973 produced particularly high survival rates. According to Mr. Madell, Birds Eye launched a relatively large number of frozen convenience meat products in those years, most of which have survived).

In the categories assessed, 34 per cent of new products failed within their first year (many of them entombed in an area test). The survival curve then plateaus during the second and third years, but drops sharply again in the fourth. Year four is clearly a watershed. Mr. Madell says this ties in well with other research, indicating that on average, most new products are still losing money in their fourth year, but tend to cross the line in their fifth.

There seems to be a strong correlation between market size, new launch activity level, and survival rate. New products in the larger high-activity markets have a survival rate almost twice as good as those launched in low activity markets. (Biscuits and canned meats are examples of high activity markets; babyfoods and canned fish and canned fruit examples of low).

Bravely, Mr. Madell has produced a list of the 31 most successful products launched during this period. Clearly, definition of "success" will vary from company to company. Mr. Madell has chosen to define it as those products that were still alive in 1978 and enjoying a retail sales turnover of at least £2m. This is fairly rough and ready, he admits, but on the whole, most major fast moving packaged goods makers would regard it as the minimum turnover necessary to justify continued marketing support.

Of the total of 730 products launched between 1969 and 1978, only 31 (4 per cent) meet this requirement. The top five brands, together with their turnover at RSP and brand share, are as follows: Stork SE soft margarine (£54m, 18 per cent), Brazilian Blend instant coffee (£13m, 6 per cent), Crawford Pennywise biscuits (£15m, 6 per cent), St. Ivel Price yoghurt (£13m, 27 per cent) and Mellow Birds instant coffee (£12m, 4 per cent).

Imports: what it costs to muscle in

THE SHEER muscle-power behind the import invasion of U.K. consumer goods markets has been spotlighted in figures provided by the London-based Association of Manufacturers of Domestic Electrical Appliances.

According to AMDEA, Zanussi, Europe's largest white goods manufacturer, spent a remarkable £23 per washing machine on Press and television advertising in 1977, against an industry average of £2. In 1978, says AMDEA, the Italian invader spent just under £15 per machine, against an industry average of £2.80.

According to the association's director general, Mr. J. P. Collis: "Those figures that we have so far for 1979 show that it is continuing. Indeed, with the cutbacks in advertising by Hoover and Hotpoint, Zanussi in the first nine months of the year accounted for just under a quarter of above-the-line advertising expenditure on home laundry products."

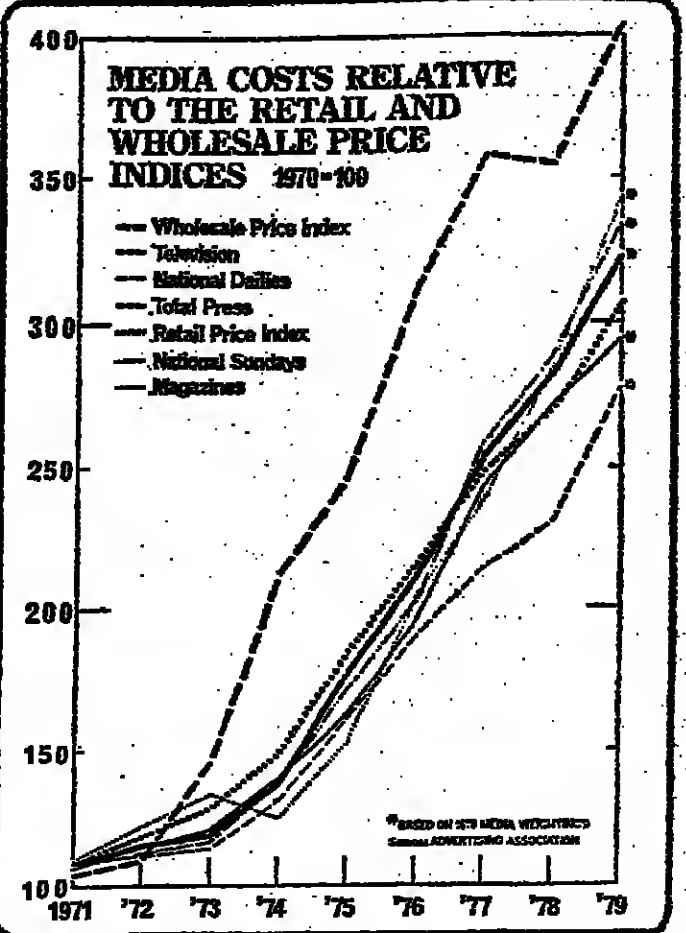
Mr. Collis was responding to a story on this page on February 21 detailing the success with which Zanussi has set about the UK domestic appliance markets. Last year, under its own brand name, Zanussi sold 270,800 refrigerators, fridges / freezers, freezers, washing machines, tumble driers and dishwashers for a 6.5 per cent market share in those sectors, where total sales were worth £550m. (It also sold approximately 200,000 units via own label).

This year, under the Zanussi brand name alone, it hopes to sell at least 425,000 units for an estimated 11 per cent market share. It firmly insists that its retail selling prices are pitched at five per cent either way of the market leaders, and that it is neither a dumper nor a hully.

Mr. Collis says he is sure that if Zanussi continues to spend at the rate it is doing (the Zanussi advertising budget this year is approximately £2m), it will achieve its objectives. "They are heavily outspending the UK manufacturers by a margin which is horrifying."

To be fair, it should come as no surprise to discover the high cost faced by any importer determined to push for a significant market share, nor to learn that the initial heavyweight push offers scant hope of profit. "It depends on one's definition of fair competition as to whether one should bring in the profit element or not. However, if we do give Zanussi credit for economies of scale, productivity, etc., to enable them, despite their heavy advertising, to sell in our marketplace competitively, we would not wish to extend this to other Italian manufacturers."

"Today, about 50 per cent of the automatic washing machines sold in the UK are imported, most of them from Italy, and a large part of the market is taken by machines that sell some £60 below the UK price." Mr. Collis says AMDEA is not calling for import controls, but for "orderly marketing," specifically an end to the fiscal vagaries, such as HP controls, that have dogged UK electrical goods manufacturers.



Media rates + 15.5%

ADVERTISERS and their agencies periodically lament the inflation of media costs, but the facts, as rendered by the Advertising Association's combined index of media rates, do not support their cries of woe.

Latest figures, published this week, show a rise in the combined index of 15.5 per cent for 1979 over 1978, compared with a level of 13.4 per cent for retail price inflation and 13.8 per cent for wholesale price inflation over the same period.

According to Mike Waterson, the AA's head of research: "This increase is not exceptional if one takes account of the very buoyant demand for advertising time and space in 1979. Over the past 10 years, Press and television costs have risen roughly in line with each other, rather faster than retail prices but considerably less than the wholesale price index with which advertising should more properly be compared."

An increase of 15.5 per cent in the AA's combined media index is well behind the media inflation rates of 1975, 1976 and 1977, when the year-on-year percentage increases were respectively 26.9 per cent, 22.2 per cent and 18.1 per cent.

There was a severe rise in the cost of television airtime in the last quarter of last year, mainly because of unprecedented demand for airtime following settlement of the ITV strike. Airtime demand in the current quarter is even more marked. (The AA's TV index takes account of rate and discount; its Press index does not).

The AA's TV index (1970=100) now stands at 342.4, against 322.5 for the combined Press index. National dailies are at 337.7, regional dailies at 261.5, magazines and periodicals at 277.8, and trade and technical at 301.1.

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JOBS COLUMN, APPOINTMENTS

The poetry, and practicality of trademarks

BY MICHAEL DIXON

ALTHOUGH THE old Viyella International rather more than doubled my salary when it recruited me in 1963, it did not make at all clear what it had recruited me to do. But I had not been sitting at my executive desk for long when the first envelope arrived from some superior level.

Inside the envelope were several sheets of paper with lists of words on them, plus a brief, typed memorandum. This disclosed that the listed words were the company's registered trademarks, and asked me to consider them and suggest any changes that might be helpful. So I straightaway fell to considering.

The first, unavoidable conclusion about the trademarks was that there were the devil of a lot of them, only two of which had been previously known to me. These, of course, were the names of the company's two world-famous cloths — "Viyella" and "Clydella" — each of which had a geographical foundation. (The "Viyella" is a road in Derbyshire which in the local dialect came to be pronounced "Viyella.")

But the other words on the list raised the suspicion that the company had employed some body at least one day a week to mass-produce new names. Even if the person so employed spoke

English, which I doubted, he or she certainly lacked poetry. For the bulk of the trademarks had clearly been generated by taking common words and, without any apparent regard for harmony, tacking "ella" on the end of them.

The result was a mass of botches such as "Dayella" and "Nightella," constituting sounds which Beethoven, even when deaf, would not have been able to contemplate without going away and hanging his head against a wall for a couple of minutes.

Pondering what I might safely report to my new employer, I suddenly hit on a possible approach to the problem, which would offer not only better aesthetics but point the company towards new products.

What, for instance, about making a rain-proofed cloth and calling it "Umbrella," or a fashion-fabric initiating the ill-treated look under the trademark "Cinderella," or an outerwear cloth for marketing specifically to amateur botanists as "Greeneryella"? To me, this seemed to offer an entirely new dimension to the concept of market-orientation.

The only trouble was that my employer might not be ready to be led, in my first week, into a totally changed business philosophy. So I decided to shelve the creative approach for a day or two, and in the

meantime deal with the trademark assignment by means of compromise. This would be a recommendation to retain "Viyella" and "Clydella," while scrapping all the others and replacing them with the single name "Nonsella."

But before I could start writing the report, a pin-striped dynamo appeared at the office door to say: "Never mind the trademarks." He then sent me to stand by on a golf-club verandah while a photographer took pictures of a series of feet clad in Tartan-patterned socks.

Working in this highly-piggledy way was not to my liking, so I decided to leave and return to journalism. And sadly, it was only after committing myself to do so, that I learned what I had been recruited for.

Called to the chief executive's office, I found him talking on the telephone. As he looked up and saw me, he suddenly said to whoever was at the other end of the line: "I know how we'll tackle this — I'll send round Michael Dixon to see you. He writes poetry, you know."

So that was it. Obviously I had been engaged as company poet.

Since then I have always had the feeling that if only I had been told so at the start, things might have been entirely different. I would have refused

to go off and supervise the feet-photography, developed the new approach to business based on trademark-creation . . . and well, who knows? But, without the new approach, the economy hasn't exactly prospered, has it?

It was therefore disappointing to be told by recruitment consultant Geoffrey King the other day that my outlook on trademarks would have been altogether too radical for me to have gained acceptance by the trademarking profession.

And Mr. King, who runs Cambridge Recruitment Consultants, knows what he is seeking: a new manager of patents and trademarks for a big pharmaceutical group based in the South-east of England. Since he may not name the company, he promises to abide by any applicant's request not to be identified to the employer until permission is given.

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Financial head

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The main tasks of the job are to keep top-level watch over the group's financial activities and to advise the recently reorganised Board on corporate plans and future development. The need is for a qualified accountant, preferably an FCA aged 35 to 45, with sound experience of similar work in business, and with "a

tough and determined character." A car of sumptuousness in keeping with the job, will be among the perks.

Inquiries to Mr. Denholm at 18 Golden Square, London, W1; telephone 01-734 2603.

Economist

FORMER colleague Christopher Johnson, now economic adviser at Lloyds Bank, seeks an economist aged in the mid-20s as his assistant, initially on a two-year contract. Based in London, the recruit will help to forecast economic and monetary variables, advise on the collection of cuttings, documents and statistics, and do research for the bank's publications.

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Christopher Johnson's address is PO Box 215, 71 Lombard Street, London EC3P 3BS.

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CONSUMER
BRIEF

A joint editor of the Consumer Brief (the one with the classical leanings) is shortly to take up a management position in the food industry. His seat must be filled. David Lang and John Howarth want to hear from specialists in the consumer area (food, drink, tobacco, packaging and leisure) who would like to become a member of an established and successful team which publishes some of the most readable and widely read analysis in the field.

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TRUSTCARD

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& Scott

Offices in London, Manchester, Birmingham, Newcastle, Glasgow, Edinburgh, Aberdeen, Düsseldorf. Offices & affiliates worldwide. Open to both men and women.

Recruitment Division: Advertising, Search, Selection.



Finance & Investment Manager

c. £13,000

Our client is an influential financial organisation with a wide involvement in both the Scottish industrial and commercial scene.

They now have a key career opening for a senior financial expert to play an influential management role within the organisation.

Based in Edinburgh, this is seen as a developing opportunity with the successful candidate taking on full responsibility for a complete investment and advisory service to private businesses and commercial organisations.

Applicants should be fully qualified accountants with extensive experience within an industrial or commercial environment. A degree in economics or a business related discipline would be a distinct advantage.

The salary on offer reflects the seniority of the position and all other benefits will be in line with those normally expected of a major progressive organisation.

Please send a concise C.V., quoting Ref. RS1270 to:

The Manager,
Confidential Reply Service,
MCS/ROBERTSON & SCOTT,
Dunelm House,
Croftside,
Glasgow G63 0EZ.

All letters will be opened, acknowledged and forwarded to our client. Please list separately any companies to which your application should not be sent.

All applications should be submitted within 14 days of the appearance of this advertisement.

Market Analyst Petrochemical and Oil Industries

If you are an experienced Market Researcher with a degree or equivalent, knowledge of the Petro-chemical and Oil Industries, then this could be the opportunity for you.

Foster Wheeler need a positive and independent thinker to join a small but busy team. You must be literate, articulate and prepared for involvement at the most senior level within the Company.

Together with other responsibilities, you will prepare regular marketing reports and your advice and observations will have a real influence on our future marketing policy.

Salary is negotiable and Relocation Assistance is available where appropriate. General benefits are those you would expect from a major international company.

Interested in this challenge? Then contact Kevin Tremlett, Recruitment Manager, Foster Wheeler Limited, FREEPOST, Reading, Berkshire RG1 1BR. Tel: Reading (0734) 585211.



Foster
Wheeler



PORTFOLIO MANAGEMENT to £13,000

Leading Life Assurance Company seeks a Portfolio Manager whose principal responsibility will be to provide a high quality investment management service to Trustees of Pension Funds. Candidates will probably be Honours Graduates or professionally qualified. Preferred age 30-35.

An appropriate track record with a relevant financial institution is essential and candidates must be personable and able to obtain the confidence of new and existing clients. Salary negotiable to £13,000 plus assisted House Purchase Scheme and other significant benefits. (ES.272)

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W1, quoting reference. No identities divulged without permission.

A MAJOR CITY FINANCIAL INSTITUTION REQUIRES

THREE INVESTMENT ANALYSTS

ONE FOR NORTH AMERICAN PORTFOLIOS

ONE FOR EUROPEAN PORTFOLIOS

ONE FOR JAPANESE AND FAR EAST PORTFOLIOS

RESPONSIBILITIES will include research into and analysis of economies, industries and companies in these areas in which the institution has substantial portfolio investments.

APPLICANTS should have not less than 3 years' relevant experience of investment analysis in at least one of the areas. The analyst for the Continental portfolios will be expected to speak good French and/or German.

Generous salary and fringe benefits depending upon age and experience.

Applications, enclosing a curriculum vitae, which will be treated in strict confidence, should be sent to:

Box A.7078, Financial Times, 10 Cannon Street, EC4P 4BY

INTERNATIONAL MERCHANT BANK

EUROBOND SALES

The Royal Bank of Canada (London) Limited is looking for personnel to join its Eurobond Department.

One or more candidates are being sought, whose role will be to develop and maintain relationships with private and institutional clients located around the world.

Candidates must have gained at least 3 years' proven experience in the fixed interest markets, either sales, or in portfolio management. Salary is negotiable with the usual Bank fringe benefits.

Please write in the first instance, giving full details of qualifications and experience to:

The Personnel Manager
The Royal Bank of Canada (London) Limited
107 Cheapside
London EC2V 6DT

All replies will be treated in confidence

Corporate Finance

South Africa

Hill Samuel Group (S.A.) Limited, a subsidiary of Hill Samuel & Co. Limited, wishes to appoint an Executive to assist in providing the full range of corporate financial advice for its clients, including issues, mergers, and takeovers.

Applicants, in their late twenties, should have gained several years' relevant experience, ideally in a corporate finance department of a UK Merchant Bank.

The successful applicant will join the company in Johannesburg for a minimum of four years, after which further career progress will depend partly on the individual's own record of achievements and partly on opportunities that there might be elsewhere in the Group.

Initial interviews will be carried out in London, during March, and it is hoped that the appointment will be made when a Director of HSG (S.A.) visits the UK week beginning 24 March.

Please send curriculum vitae, in complete confidence, to: R. C. G. Gardner,
Hill Samuel & Co. Limited,
100 Wood Street, London, E.C.2.



Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

Career Openings in Belgium

Our client is a substantial service organisation located in a pleasant Belgian province within 40 miles of Brussels.

As a result of expanding international business, two additional Junior Executives are required to fill progressive career appointments with the company. Candidates for these appointments should possess English as mother tongue and be able to speak French.

The first function will involve the analysis of U.K. trading companies and the provision of credit limits. Candidates, ideally aged 28, should have some experience in credit analysis with a background in banking.

The person appointed to the other position will be engaged in administration of the Company's business with English-speaking clients. A commercial background would be ideal in this appointment and candidates will preferably be aged about 25.

People who are interested in the possibility of relocating to Belgium are invited to contact us for interview. Candidates will have the opportunity of visiting the company's offices prior to confirmation of appointment.

Please telephone, or send a detailed Curriculum Vitae to, Ken Anderson, Director

First floor - entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Amsterdam

CSL

to £15,000

C.A. FOR EUROPE

Mid Twenties?

- The Client** One of Europe's top 500 companies, with an impressive record of profitable growth in a diversity of businesses offering a wide range of products and services. Worldwide sales are in excess of \$5 billion.
- The Role** To join a small corporate head office team servicing the European operating subsidiaries on all corporate matters. Working closely with the Managing Director the main areas of emphasis will be tax planning, cash management, and the preparation and prompt submission of monthly management reports to the U.S. There will be an opportunity to travel within Europe and there is a possibility of investigation work into potential acquisitions.
- The Candidate** Probably still in the profession, with one of the large international accounting firms. Keen to learn and seeing this move as an ideal training ground for the next step in his or her career and a chance to work in Europe. Flexibility and a lively and practical approach are essential.

Resumes including a daytime telephone number to J. G. Cameron, Executive Selection Division, Ref. CF225.

COOPERS & LYBRAND ASSOCIATES LTD.

Management Consultants
Shelley House, 3 Noble Street, London, EC2V 7DQ.

Managing Director
Textiles

South Africa

One of South Africa's major textile companies requires a Managing Director. This is an attractive proposition for a man, probably in his forties, who can demonstrate an outstanding track record at general manager level in a large integrated textiles company. He must have a thorough technical knowledge of woven textiles, together with a good marketing background and leadership qualities and an aptitude for strategic planning.

This is a key appointment and our clients are reasonably open-minded about the salary level. The position carries membership of a top hat pension scheme; relocation expenses will be repaid, and a house will be provided, together with the use of a prestige car.

Completed personal history forms will be screened in confidence by P-E in South Africa but interviews will be conducted in London.

Please write to Stewart Mitchell or telephone (24-hour answering service) for a personal history form quoting reference M/240/7.

The P-E Consulting Group

Appointments Division
1 Albemarle Street, London W1X 3HF Tel: 01-499 1943

PE

Banking Appointments

Asst. Mgr. - Dec. Credits. Early 20s.
15,500-15,700 for major int'l. bank.
Middle East market exp. preferred.
Resp. for Dept. in absence of Manager.
Also Commercial Credits - 2nd Charge.
21-25, 1-2 years exp. c. £20,000, for
leading U.S. bank.

V.P.N. EMPLOYMENTS
01-283 6022 & 9418

FIELDING NEWSON-SMITH & CO.

CORPORATE FINANCE

The expanding department is seeking a senior executive experienced in all aspects of corporate finance. The successful applicant will probably be aged under 35 and hold a professional qualification in Law, Accountancy or Secretariatship.

The position carries excellent career prospects. Remuneration, which will be based on qualifications and experience, will consist of salary plus a share of profits.

Applications, which will be treated in the strictest confidence, should be sent with a curriculum vitae to:

The Managing Partner
FIELDING, NEWSON-SMITH & CO.
31 Gresham Street, London EC2V 7DX.

Qualified Accountants

... gain a valuable business background
... and challenging future prospects
with a chemicals world leader

For young Accountants, the combination of your professional qualification or degree with the insight into multi-national business and accounting management that our training will give you, will place you in the best position to take advantage of later career prospects that are opening up all the time with the growth of Du Pont business, both in the UK and world-wide.

Your professional acumen must be accompanied by a flexibility and openness of mind to take on the variety of tasks you will be handling during your training - plus the initiative and 'self-starter' qualities that mark out young professionals going places.

With a turnover in excess of £200m and several sites in the UK, this opportunity offers variety, domestic travel and an in-depth understanding of the busi-

ness and accounting activities of part of one of the world's largest chemical companies.

Salary will be negotiated to attract and retain top-calibre young professionals and other large-company benefits apply.

For an informal discussion and further information, please phone Ron Robinson, Accounting Manager, on 01-242 9044, ext. 413, otherwise send a detailed c.v., quoting ref. B.452, to: ASL Recruitment Advertising, 17 Stratton Street, London W1X 8DB. Tel: 01-629 1844 (24 hour answering service).

DU PONT

Assistant Market Manager

Reuters is the leading supplier of news, information, and dealing services to the business community, including the commodity, broking, banking and shipping markets, using one of the world's largest computerised communications networks.

We have an opening in our marketing department for an assistant to the market managers involving analytical, statistical, administrative and research tasks related to developments in both existing and new markets.

Knowledge of the financial markets and the potential impact of computers, communications and information services on trading in the 80s is important. Candidates should be in their mid-twenties, have a degree, and be qualified in marketing or business management.

They must be numerate, articulate and able to write clear, concise reports.

We offer an international career with good opportunities for promotion in an exceptional growth business. An excellent salary is offered plus other benefits commensurate with a large international company.

For an informal discussion telephone Jack Wigan, on 01-353 6060 or write to,

Recruitment Manager

REUTERS

85 Fleet Street London EC4P 4AF.
This position is open to men and women.

FINANCIAL DIRECTOR

INDUSTRIAL MANUFACTURER WITH OVERSEAS SUBSIDIARIES

MAJOR U.K. PARENT

North London

c.£14,000 + Car + exec. bens

Internal promotion within the parent Group has created the need to fill a key financial role in an autonomous multi plant company with strong overseas affiliations. As top Financial Manager you will evaluate performance, manage financial functions and advise the MD and the Board on the development of the business.

Our Client: An autonomous subsidiary of one of Britain's largest and more successful engineering companies. Formed 3 years ago from a merger of individual units in the fluid handling field, there are several UK and overseas manufacturing plants. Total turnover approaches £20 million and export business is healthy. Products are vital to most processes, plant and equipment end uses are planned to treble by 1985. The Company is profitable with a good ROCE.

Your Opportunity: Reporting to the Chief Executive, you will assume control of a Department of 60 and further develop all Company financial management functions. You will • manage company finance • evaluate performance • provide monthly management information • undertake financial planning and budgeting • effect consolidations • improve EDP • analyse business activities and improve efficiency.

The Ideal Candidate will be a highly qualified Accountant aged 35-40 with a wealth of practical experience and highly developed skills in • Financial Management and Cost Accounting • Computer Applications • Corporate Planning and Budgeting. The attributes sought are • Creativity • Innovation • Marketing exposure • Resourcefulness in managing people • Capacity to work alongside a dynamic Chief Executive • ability to think as a businessman. A knowledge of and feeling for light/medium engineering is highly desirable.

Your Rewards: A competitive basic salary + company car + usual executive fringe benefits + 4 weeks holiday. Ample opportunity for promotion with the parent Group.

ACT NOW! Write or telephone (in the strictest confidence) to the Company's adviser, DAVID BURNS, B.Sc.(Eng) C.Eng. M.I.Mech.E. (Directed on 01-383 2051) or 01-383 2055 24 hr. Answerphone. Guide Ref. 382.

This appointment is open to both male and female applicants.

MERTON ASSOCIATES (CONSULTANTS) LIMITED
Merton House, 70 Grafton Way, London W1P 6LN
Executive Search and Management Consultants

Banking Loans Executive
for City merchant bank

With the expansion of Robert Fleming's commercial banking business there is a requirement for an additional banking department executive.

The successful applicant will probably, but not necessarily, be in his/her middle or late 20s with merchant banking or commercial experience. An accountancy or legal qualification would be a distinct advantage, although practical experience gained will be a prime consideration.

A competitive salary with worthwhile benefits will be offered.
Apply in writing enclosing curriculum vitae to:-

C.M. Moore, Esq., Banking Department, Robert Fleming & Co. Limited,
8 Crosby Square, London EC3A 6AN. Tel: 01-638 5858.

ROBERT FLEMING

Financial
Controller

c.£10,500 + car City Limits

Our client, a major producer of delicatessen and other food products, wishes to appoint a Financial Controller to provide the Board with accurate and timely management information. This is a new appointment and essential duties include:

- * co-ordination and preparation of budgets
- * production of financial accounts
- * assistance with cost and price calculations

Candidates, men or women, should be qualified accountants in their 30s. They should have had previous experience in industry and be used to working with a computerised accounting system. Previous responsibility for a small staff would also be useful, as would employment in the fresh food industry.

Starting salary is around £10,500 and a company car is provided. Other benefits include a contributory pension scheme.

Please write or telephone for a job specification and application form, quoting ref. 1283:

bf

Anne Knell,
Bridger Hamlyn Fry & Co.,
Management Consultants,
227/228 Strand,
London WC2R 1BZ.
Tel: 01-353 5771.

YOUNG—
AMBITIOUS

A large International Investment Banking/Broking House, based in London, with an extensive network of overseas offices, is seeking young ambitious, innovative, career-minded Operations Personnel. A willingness to relocate outside the United Kingdom at some time in the future will be a prerequisite of acceptance.

If you think you fall into this category, have at least three years' experience in Banking/Broking operations, or hold a University degree in Business Studies or Management and would enjoy working as part of a young, dynamic and dedicated team, we would like to meet you.

Salary will be commensurate with experience and potential. Please write in strict confidence giving full but concise details of age and career history to:

Box A.7086, Financial Times
10 Cannon Street, EC4P 4BY

Financial Controller

London

c.£10,000 + Car

Medium sized distribution Company seeks a Financial Controller to take full responsibility for the financial, accounting and internal administration functions. Applicants, male or female, in the 28-46 age group will be qualified accountants with some experience in computerised accounting systems. The salary and fringe benefits reflect the high personal qualities required for this senior Management appointment. Apply in writing to the General Manager, quoting Reference SM/41/382.

Guy Redmayne & Partners, Recruitment Consultants,
18 Grosvenor Street, London W1X 9FD
(No identities divulged without permission.)

Guy Redmayne & Partners

Taxation and Rating
Manager

London

Finance Division

c.£14,000

British Gas invite applications from suitably qualified men and women for the above position in the Treasurer's Department of the Finance Division at their Headquarters in Holborn.

The successful applicant will be responsible for dealing with all aspects of taxation including the co-ordination of V.A.T. as it applies to the industry's transactions, and for all rating aspects covered by the special formula basis of rating applicable to the Corporation.

Further responsibilities include advising on the implications of new and existing U.K. and foreign tax legislation in relation to the Corporation's trading operations and to its employees and for negotiating with the Inland Revenue and H.M. Customs and Excise in the settlement of the Corporation's tax liabilities.

Applicants must be professionally qualified accountants with specialist experience in taxation and have a sound knowledge of taxation law and practice. Ability to interpret new and complex legislations is essential together with the ability to communicate at all levels.

Starting salary will be around £14,000 per annum together with all the benefits normally associated with a large progressive organisation.

Please write giving full details of age, qualifications, experience and current salary, quoting reference F/001001(002)/FT to the Personnel Controller, British Gas, 59 Bryanston Street, London W1A 2AZ. Closing date for applications 22nd March 1980.

BRITISH GAS

Senior Appointments

FINANCIAL ACCOUNTANT

North West London

£8,500 + Benefits

The North West London based division of an International manufacturing company offers an outstanding opportunity to a young qualified accountant. Reporting to the controller, initial responsibility will be for monthly management and year-end statutory accounts, cash flow projections and budgetary control. The installation of a new I.B.M. computer, recruitment of an E.D.P. manager and recent approval of a very substantial capital investment programme makes this an exciting appointment.

Apply in confidence to Mark Lockett or Ian Crichton.

ACCOUNTANCY PERSONNEL SENIOR APPOINTMENTS
41 London Wall, London EC2M 5TB 01-588 5105

Jonathan Wren: Banking Appointments

The personal consultancy dealing exclusively with the banking profession

NORTH AMERICAN INVESTMENT DEALER

A major North American Investment Dealer plans to expand its activity throughout Europe from its City office. It seeks an experienced Institutional Investment Representative, ideally aged 28 or above, to complement its North American equities department. It is envisaged that the successful applicant will be appointed Departmental Manager in due course.

The company has established UK and continental clients and the successful candidate will have the responsibility of continuing and developing this business. A working knowledge of French and/or German would be an asset. Salary £40,000+ profit sharing and benefits.

Contact RICHARD MEREDITH on 623-1268

First floor, 170 Bishopsgate New Street
170 Bishopsgate London EC2M 4LN 01-623 1266

THE CITY UNIVERSITY
ESMEE FAIRBAIRN
CHAIR OF FINANCE
AND INVESTMENT

Applications are invited for the new Chair which has been established in the City University Business School by the generosity of the Esmée Fairbairn Trust. The holder of the Chair will be the Head of the Finance Division of the School and will be responsible for research and teaching in finance and investment.

The salary will be in the range for professional posts and there will be a London Allowance of £740 per annum. Further particulars may be obtained from the Academic Registrar, The City University, Northampton Square, London EC1V 0BH. The closing date will be 28th March 1980. Please quote ref. FT.

JOB OPPORTUNITY IN SAUDI ARABIA

JOB OPPORTUNITY IN SAUDI ARABIA FOR SPECIALISTS AND ADVISORS IN THE FOLLOWING FIELDS:

LAW, FINANCE, ADMINISTRATION, ENGINEERING, PUBLIC HEALTH AND HOSPITAL ADMINISTRATION.

MINIMUM QUALIFICATIONS REQUIRED:

MASTERS DEGREE AND MORE THAN FIVE YEARS EXPERIENCE

KNOWLEDGE OF ARABIC PREFERRED.

SALARY RANGE OF 40,000 TO 60,000 DOLLARS YEARLY.

BENEFITS:

FURNISHED ACCOMMODATIONS, PRIVATE CAR, PAID LEAVE FOR 45 DAYS EACH YEAR, ROUND TRIP TICKETS, FREE MEDICAL SERVICES.

NO TAXES ON PERSONAL INCOME IN SAUDI ARABIA.

INTERESTED SEND RESUME TO

P.O. BOX 6818, RIYADH, SAUDI ARABIA.

MERCHANT BANKING

£7,000—£15,000

A number of our clients, including leading Merchant Banks and members of the Accepting Houses Committee, seek recently qualified Graduate Chartered Accountants, Commercial Lawyers and Bankers with at least one year's experience.

These opportunities are mainly in the Corporate Banking or Corporate Finance Departments but other openings exist in Shipping, Leasing, Property Analysis, Euro-bonds or Investment. First rate applicants with a good academic record are essential for these positions.

Please write or telephone:

T. C. H. Macfarlane,
Berensford Associates Limited,
Cross Keys House,
56, Moorgate,
London EC2R 4EL
Telephone: 01-428 7544/7

Senior Lending Officer Shipping Specialist

Bank of America NT and SA is seeking one or more experienced international bankers to join its London Shipping Section engaged in handling an expanding portfolio of major account relationships with some of the world's largest shipping companies, based in the UK and Europe.

Applicants, graduates aged 25-35, must have at least 3 years' banking experience dealing with the shipping industry. They must also possess strong credit analysis, business development and communication skills. A knowledge of languages would be an asset.

Excellent career opportunities exist in the Bank's international operations. Attractive starting salaries will be commensurate with qualifications and experience, and fringe benefits are in line with best international banking practice.

Write, in strictest confidence, with full personal, career and salary details to A.J. Tucker, Recruitment Officer, Bank of America NT & SA, 25 Cannon Street, London EC4P 4HN.



BANK OF AMERICA

INVESTMENT PORTFOLIO MANAGEMENT

GULF LOCATION

We are a growing equity-oriented investment company located in the Gulf and are seeking qualified individuals to fill the following positions. Advanced degree in economics or finance required for both positions.

Equity Portfolio Manager—Minimum of five years' experience managing U.S., UK and European equities. Recent experience must include work at managerial level. Compensation package will provide a tax-free salary in the £25,000 to £30,000 range with commensurate fringe benefits.

Investment Analyst—Minimum of three to five years' experience handling U.S., UK and international equities. Compensation package will provide a tax-free salary in the £12,000 to £15,000 range with commensurate fringe benefits.

If you feel your career could benefit by a foreign posting and you would like the challenge of joining our growing team we encourage you to send your curriculum vitae to us without delay. Respond to:

Box A.7079, Financial Times
10 Cannon Street, EC4P 4BY

MAJOR U.K. GROUP FINANCIAL CONTROLLER International Operations

London c.£10,000+car

Our client is a major U.K. Group involved in diverse activities and with a sustained record of growth. They now wish to recruit a Financial Controller, as part of the Group Finance team, but with specific responsibilities for international operations. The successful candidate will be required to provide an effective finance and management information service including strategic planning, taxation, system improvements and treasury.

Candidates should be qualified accountants, aged 26-32, preferably with some industrial or commercial experience. A high level of maturity, enthusiasm and ambition is also required and prospects are good throughout the Group. There will also be the opportunity for some overseas travel.

For further information and a personal history form please contact Brian Warren, B.A., or Ian Tomlinson, 410 Strand, London WC2R 0NS, tel: 01-836 8501, quoting ref: 2790.

DOUGLAS LLAMBIAS

Douglas Llambras Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)



Finance Director

for the small chemical subsidiary of a major British-owned, publicly quoted, international group. They manufacture and sell products for the motor accessory and DIY markets and have a turnover in excess of £2 million.

The responsibility will be for all accounting, company secretarial work and administration. Key areas will be management accounts, product costing and optimal use of a new computer. There will be an increasing involvement in the broader commercial affairs of the company.

He or she should be aged 30-35, a qualified Accountant, with experience in both production and marketing environments and computers, have a strong commercial approach and be empathetic with the workings of a smaller business.

Salary will be around £12,000 plus car and relocation expenses, if appropriate, to the company's West London head office.

Please telephone for an application form or write in complete confidence to David Thompson, who is advising on this appointment in either case quoting reference 1099.

Oggers

MANAGEMENT CONSULTANTS
Oggers and Co Ltd, One Old Bond St,
London W1X 3TD 01-499 8311

Business Analysis Corporate Planning

C. London c.£10,500

The financial planning department of this dynamic US owned company currently seeks a further Business Analyst following internal promotion.

Accurate financial planning and analysis guarantees the success of this worldwide high technology organisation. You will be responsible for the establishment of management planning requirements and strategy, based on data from operating companies, for presentation to senior business executives. Sophisticated computer modelling techniques are utilised to improve the quality of information produced. Some travel overseas may be involved.

You should be a young numerate graduate with financial analysis/corporate planning experience in an international environment using computers for planning purposes.

A practical, inquisitive approach to problem solving is essential in this demanding role.

The Group offers excellent promotional prospects. Please telephone or write quoting Ref. RG322.

Lloyd Chapman
Associates

123, New Bond Street, London W1Y 0HR 01-499 7761

TREASURER-LEASING

Thames Valley to c.£15,000+car

GENERAL MANAGEMENT POTENTIAL

The rapid growth of the UK operation of an international service company has brought about the need to strengthen the management team.

We are looking for a commercially aware, qualified Accountant or Banker, 30/40, and ideally a graduate, with practical experience in large scale funding acquired, perhaps, with another leasing company, finance house, merchant bank or manufacturer of capital goods.

In addition to maintaining tight control over cash resources and liaison with lending bankers, you will be responsible for credit management including risk assessment and the formulation of leasing rates and agreements. For someone of demonstrable ability there are real prospects of promotion in the medium term.

Please telephone for an application form, quoting reference 690

Management Personnel
Recruitment Selection & Advertising Consultants
York House Chertsey Street Guildford Surrey
GUILDFORD (0483) 64857

Business Analysis & Strategy Merchant Banking

J. Henry Schroder Wagg & Co. Limited wishes to expand its thriving Business Analysis and Strategy Group.

This Group was created about two years ago to give strategic economic, financial and business advice to corporate clients. The advice is tailored to the specific requirements of the client and is supplied on a confidential basis.

Candidates should be aged between 27 and 30, have a good first degree and, ideally, an M.B.A., accountancy qualification or other numerate post-graduate degree. They should, in addition, have had at least 2-3 years' experience in industry or commerce. Alternatively, longer experience in industry or management consulting would be relevant. Familiarity with the use of computers would be an advantage.

Salary is negotiable according to experience but will be fully competitive. Benefits include a non-contributory pension and life assurance scheme and a house mortgage subsidy scheme.

For the right candidate the prospects for promotion are excellent.

Please reply with full curriculum vitae to:

Mr. John R. Lambert,
J. HENRY SCHRODER WAGG & CO. LIMITED,
120 Cheapside, London EC2P 4DS.

SCHRODERS

Internal Audit c£9,500 International Container Transport

Overseas Containers Limited, a world leader in international container transport with a turnover in excess of £350m., is now seeking a qualified accountant to be in at the start of the development of a successful internal audit function to eventually cover all aspects of the activities in this major Company. Some travel, initially within the U.K., would be involved.

Applicants should have had audit experience either in a professional firm or a large commercial concern.

Contact Mrs Irene Pearce on 01-488 1313 ext. 214 for further details and an application form, or write to Overseas Containers Limited, Beagle House, Brabam Street, London E1 8EP.

OCL
The International TradeMark

INTERNATIONAL BANKING

Investment Analyst Age 25-32 c.£9,000 To concentrate on UK equities. Must be fully experienced.	Loans Admin. Age 24-28 c.£8,000 For small Merchant Bank. Minimum of 4 years' experience.
Internal Auditor Age 23-27 c.£7,500 For City International Bank. European languages an advantage.	F/X Dealer Age 24-28 to £10,000 For active Consortium Bank. Minimum of 3 years' experience.

Eurobond Setts.

Age 22-25 c.£6,000
For dynamic Int. Merchant Bank.
Minimum of 2 years' experience.

For more details of the above positions and the many more we are currently handling, please telephone, in the strictest confidence, Brian Durland or Trevor Williams.

BANKING PERSONNEL
41/42 London Wall, London EC2, Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

YOUNG BROKERS

CIRCA £20,000 INCLUDING BONUS

We are the largest private Commodity and Metal Broking company in the City. Expansion of our business calls for the appointment of the following individuals:—

1. Two Commodity Brokers to join the futures trading desk.
2. A Marketing Executive to join a successful team promoting the Company's products and services.

QUALIFICATIONS

- ★ Direct Commodity Trading experience in the Softs or Metals Department of an established Commission House.
- OR
- ★ Moneybroking or Stockbroking experience. If the latter, private client exposure preferable.

Qualified individuals to write with detailed curriculum vitae to
Box A.7090, Financial Times, 10 Cannon Street, EC4P 4BY

Financial Controller

For Boddingtons' Breweries Limited at Manchester, a public company with one of the best growth records in the country's brewing industry. The Financial Controller will report to the Chairman and have a seat on the Company's Management Board. He or she, will be responsible for the management of the Accounts Department and for its continuing modernisation and development.

Starting salary is negotiable around £12,000 p.a. with excellent pension scheme, car and other benefits.

Candidates, ideally in their early 30s, must be Chartered Accountants who already have accounting management experience in a manufacturing company, preferably concerned with fast moving consumer goods. They must be familiar with EDP and conversant with modern costing and financial control disciplines. Given success a progressively rewarding career may be expected.

Please write in confidence to H. C. Holmes, Bull, Holmes (Management) Ltd., 45 Albemarle Street, London W1X 3FE.

Bull
Holmes
PERSONNEL ADVISERS

FINANCIAL CONTROLLER

London

c. £12,500 + car

Burmah Oil Tankers Limited, part of the Burmah Group, operates a crude oil tanker fleet and a major crude oil trans-shipment terminal in the Bahamas. A Financial Controller is required to help establish a small financial unit which will be an integral part of the business management function. The person appointed will be part of a professional and highly motivated management team.

Reporting to the Finance Manager, your prime task is to lead a small department responsible for all aspects of the financial accounting for a tanker fleet and its associated marine business including control of receipts and payments, the monthly determination of financial results and voyage costs, cash and currency management and short-term cash forecasting.

A professionally qualified accountant, preferably a graduate aged 30-40, you have a minimum of 10 years' post-qualification financial experience and have managed, at a senior level, a financial accounting unit preferably

in a shipping environment. You must be conversant with the disciplines and techniques for EDP operations and applications to financial systems.

Personal qualities must combine a high standard of technical knowledge with the ability to innovate and a capability of working to tight deadlines. Good human relations and communications skills are essential as is the ability to motivate and influence others.

Success in this role could lead to career advancement within the Burmah Group. Initially located in the City, there are plans to move this office later this year to the Knightsbridge area.

Terms and conditions of employment are attractive and include a negotiable salary, company car, non-contributory pension and BUPA benefits.

Please send a full CV or ring or write for an application form to O.G. Freeston, Recruitment Manager, Burmah Oil Trading Limited, Burmah House, Pipers Way, Swindon, Wilts. SN3 1RE. Telephone: 0793 47400.



INVESTMENT CLERK

Good prospects exist for someone aged 18-24 with a couple of years' clerical experience, preferably in Stockbroking (Statements) or similar work to assist with the Settlement and Bookkeeping of The London Life (Investment) Funds. Salary negotiable together with excellent benefits including non-contributory Pension Scheme, free lunches, flexible hours and House Purchase Scheme.

Interested, if so, please send details to:

Personnel Manager, Personnel Dept., The London Life Association Ltd., 81 King William St., London EC4N 7BD.

STOCKBROKING OPPORTUNITY

Opening available for member to join small London stockbroking partnership. Applicants (age 25-45) should have substantial personal business, research, ability and willingness to become fully involved in daily running of the business. Please write in complete confidence with full information to:

I. W. Frazer, Frazer Whiting and Co., City Gate House, Finsbury Square, London, E.C.2. (01-588 0361)

Names will only be disclosed to our principals with the applicant's permission.

SOLICITOR — MIDDLE EAST

GROWING AMERICAN LAW FIRM

with offices in the Lower Gulf (not Saudi Arabia)

requires a qualified Solicitor, 2-3 years' corporate and banking experience, preferably senior. Two to three-year commitment. Usual leave and other benefits. Write Box 47088, Financial Times, 10 Cannon Street, EC4P 4BY.

Our European financial operations need added management strength

J.I. Case, a multi-national organisation manufacturing and marketing a wide range of construction, earth-moving and agricultural equipment, has recently moved its European Headquarters from the Netherlands to Weybridge in Surrey. This, coupled with the reorganisation of our European Finance Department means that we have two senior management opportunities. The activities of our Finance Department are concerned mainly with wholesale and retail financing and long and short-term borrowing for our European subsidiaries. These positions offer wide financial management experience plus some opportunity for European travel.

Budget and Analysis Supervisor

This is an interesting opportunity for a fully qualified accountant with some post qualification experience, who wishes to expand their knowledge in the financial area and is ready to take on greater responsibilities.

Your most important functions would include the co-ordination and consolidation of yearly budgets, the analysis of capital expenditure project, profitability studies within specified operational areas, the review of local performance information, the monitoring of yearly forecasts, detailed studies concerning the performance of our retail outlets throughout Europe and some ad-hoc work.

The ability to liaise with others and work with management up to the highest level is important. And as some European travel will be involved it is desirable that you understand at least one European language.

Credit Supervisor

Your main function would be to review and evaluate the effectiveness of the credit operations within the Case European manufacturing and finance subsidiaries, marketing companies, and company stores ensuring their credit is handled in accordance with company policy and payments are made within scheduled time-scales. We shall also be looking to you to improve our systems of control over trade credit with a view to streamlining our procedures. An ability to devise and implement training programmes for Credit Managers will be a distinct advantage.

We shall be looking as much for potential as ability for it is expected that you will either move up within the Headquarters organisation or on to a more senior position in one of our operating companies, within the next two years.

Freedom to travel is essential as you will spend more than half your time abroad.

The salaries offered will attract financial managers looking for an opportunity to prove they have the ability to meet the challenge of a growing organisation with world-wide commitments.

We offer a generous benefits package which includes (in appropriate cases) relocation expenses.

For further details please write giving full personal and career particulars to Mrs. M. C. Husby, Manager, Employee Relations, J. I. Case (Europe) Inc., Case House, 45 47 Monument Hill, Weybridge, Surrey KT13 8RL.



MEMO

Memorex is a world-wide high growth, high technology information storage and communication company. As international leaders in our field, no other independent supplier can match our broad range of products. We offer our employees a secure and rewarding career.

Senior Financial Analyst

—Measurements and Analysis

Due to internal promotion, European Headquarters require an Analyst, probably aged around 30, who is looking for career progression and is highly motivated towards advancement to senior management level. Candidates, ACA or MBA, should have a minimum of 3 years' post-qualification experience, including financial analysis, preferably within a multi-national group. Experience in the computer industry would be an added advantage. Responsible for the analysis of results of European subsidiaries and recommendations on potential profit improvement areas, the Analyst will be involved in all aspects of financial and management reporting activities and will also undertake special projects. Travel will not exceed 25%. We offer an attractive salary and excellent benefits including company pension scheme, free life assurance and BUPA cover. Write with personal history, or alternatively phone for further information and application form, to Heide Smith, Memorex Europe Limited, Hounslow House, 730 London Road, Hounslow, Middlesex TW3 1PD. 01-873 7591.

MEMOREX

Graduate Qualified Accountant

Perhaps an MBA?

An exceptional opportunity

The Company
Successful, profitable, international high technology service business. Record of continuous, exceptional growth.

The Job
Head up management accounting, reporting and financial development of £100m company operating throughout Europe. Wide-ranging responsibility and authority for a creative financial mind. Salary up to £15,000; substantial reviews, other good benefits. Career development/promotion opportunities outstanding. Based London.

Criteria
Graduate qualified accountant with good audit and management experience. Strong initiative, naturally creative and ambitious. Effective manager of people, facilities and assets. Lucid communicator of ideas and recommendations. Knowledge of French would be an asset. Age 28-33.

Action
Telephone Michael Eggers for a confidential talk on this outstanding job and its potential.

JSP Selection Consultants

10 Haymarket, London SW1Y 4BP.
Telephone: 01-839 4953.

Investment Management

c. £10,000

A major international company wishes to hear from applicants with broad investment experience to assist the Investment Manager of its fast-growing Pension Fund based in Central London. He or she will be expected to play a significant role in the investment of the Fund's assets, particularly in direct property and UK equities. It is envisaged that the job holder will participate increasingly in the management of the Fund and become Assistant Investment Manager. The successful candidate should have wide experience in UK equities gained in a pension fund or other institutional environment. Comprehensive experience of the direct property market is also required, specifically in the sale/purchase of freeholds/leaseholds.

Ref: R2442/FT.

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE
Tel: 01-235 6860 Telex: 27874



A member of PA International

FOREIGN EXCHANGE DEALER

A career opportunity exists within a recently established London Branch of an expanding mid-American Bank for an experienced Foreign Exchange Dealer. Applicants in the age group 25/35 should have a minimum of 3 years' dealing experience in FX/Deposits including Arbitrage. Salary negotiable.

Apply in confidence to:

Miss B. E. North, Administrative Assistant,
FIRST NATIONAL BANK IN ST. LOUIS
62/63 Queen Street, London EC4R 1AD
Tel: 01-236 9571

Export Finance and Marketing Officer

c. £15,000

The Chase Manhattan Bank N.A. invites applications for appointment to the staff of its UK Export Finance Group based in London, from an experienced officer with a sound and proven record in the negotiating and marketing of all aspects of export finance in the UK and overseas.

A knowledge of the applications of the facilities offered by Export Credit Agencies and the Eurocurrency market is essential.

Experience in a senior position in the international division of a Merchant (or Clearing) bank is desirable.

This appointment should lead to a management position.

A salary, fully commensurate with experience, will be supported by a package including a bank car, preferential mortgage, personal loan scheme and non-contributory medical, pension and life assurance.

Please write with full details in confidence to: Mrs. Shirley Watson, The Chase Manhattan Bank NA, Woolgate House, Coleman Street, London EC2P 2HD.

CHASE

Financial Accounts Manager

LONDON UP TO £8,500

A major British company designer and manufacturer of business forms and systems, and part of a well known International Group, seeks a young, experienced accountant to take charge of its financial accounting department.

This appointment offers excellent opportunities for rapid career development in a company recognised as market leader. These opportunities are enhanced by the Group's active and successful diversification policy and need not be restricted to the United Kingdom. Aged ideally between 28 and 35 and preferably qualified, you must have had at least two years experi-

ence of financial accounting and be able to control and motivate staff. A sound background in computerised accounting and management information systems is essential.

Please write to Richard Varcoe (quoting FT 157) giving brief details of your career to date, or telephone Mrs. Yvonne Bishop (021-643 9536) for an application form.

Lee Jansen Recruitment Ltd.,
5 Lower Temple Street,
Birmingham B2 4JD.
Manpower Consultants,
Birmingham, London, Amsterdam,
The Hague.

Contracts/Secretarial Officer

Ruston Gas Turbines are a familiar sight worldwide driving pumps, generators and compressors, mainly in the oil and gas industries. Napier Turbochargers are a requirement wherever the potential of a diesel engine must be maximised — for instance in the Inter-City 125 trains. The companies are based in the historic city of Lincoln and employ about 2,500 people in manufacturing engineering.

The job opportunity we now have is for a male or female Chartered Secretary or Company Accountant or similar qualification in the age range 30-45 with a sound working knowledge of company, commercial and contract law and preferably an understanding of export finance and ECGD procedures.

Initially, responsibility will be mainly for vetting and clearance of contract conditions with customers and to a lesser extent company secretarial work, including but not limited to, licensing, collaboration and agency agreements, statutory accounts and taxation. With the Assistant Company Secretary retiring in April 1981, we are looking for succession.

This senior appointment will carry an attractive salary and a benefits package, including relocation assistance, in line with the stature of our company. Lincoln provides a wide spectrum of social facilities together with a good choice of reasonably priced housing.

Requests for application forms should be made in writing to or by telephoning: — David McDonald, Ruston Gas Turbines Limited, P.O. Box 1, Lincoln LN2 5DJ (0522-25212, Extension 19).

RE: RUSTON GAS TURBINES LTD

NEW APPOINTMENT!

Senior Underwriter c. £10,000

We are a fast expanding National Finance House — a subsidiary of a Cleaning Bank — with 60% of our turnover in the consumer-oriented market, based on the motor trade/caravans/marine and personal loan sectors.

Our expansion programme now calls for us to create the above position based at Godalming. Reporting to the Managing Director, the successful applicant will be required to assess and recommend credit lines and undertake industrial business ensuring that all Company policies are observed and to develop policies as appropriate.

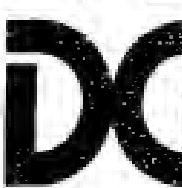
He/she will be required to have extensive experience/knowledge of the risks associated with the finance business as well as a comprehensive working knowledge of Company/Contract Law, H.R./Consumer Credit Law, Security, Accounting and Commercial Finance. He/she will be educated to at least A Level standard, will preferably hold a FHSA diploma and have a proven track record as an underwriter.

In addition to the starting salary, we offer a full range of company benefits including mortgage facilities, pension, free life assurance and relevant expenses if applicable.

If you are able to meet our requirements, then come, in full confidence, to:

Derek G. Nevard, Personnel Manager, F.C. Finance Limited, Stratford House, Station Road, Godalming, Surrey, Tel: Godalming (04868) 4141.

Your future comes first with F.C. Finance



David Grove Associates

Bank Executive Recruitment

60 Cheapside London EC2V 6AX

Telephone 01-236 0640

CREDIT ANALYST

Our client is a prominent Continental bank. This vacancy arises from expansion of the credit department. Candidates should have a minimum of three years' analysis experience, preferably in an international bank environment. Duties will include preparation of credit proposals and training of junior analysts.

LOANS ADMINISTRATION

We are currently seeking a number of candidates for leading international banks. A minimum of one year's experience is required, together with a good general banking background.

LEASING BUSINESS DEVELOPMENT EXECUTIVE

Subsidiary of leading Continental bank seeks self-motivated business builder with experience in industrial leasing, plant, trucks and cars. Probably aged between 25 and 35 years.

Treasury Executive

c.£10,000

Due to internal promotion, the opportunity has arisen for you to develop your expertise within an International Petroleum Group. This will not be your first responsible job and, although aged under 30, you will have already proved that you have the mental ability, judgement and stamina of a successful Treasury Executive with either a multinational corporation or an international bank. You will look forward to widening your foreign exchange dealing and money market expertise with one of the largest commercial participants in the London market.

in our Victoria based Treasury group. Your major responsibility will be day to day international cash management of Occidental's European and African activities, including the North Sea where Occidental is a major operator.

There are attractive international career prospects within Treasury and other areas of the Occidental Group.

Please send brief curriculum vitae (which will be treated in strict confidence) under reference "O.F.A." to: Martyn Hawkins, Occidental International Oil Inc., 16 Palace Street, London SW1E 5BQ.



PHILLIPS & DREW

An exceptional opportunity has arisen for a person with flair and ability to join the institutional equity department. He/she should be in his/her mid-twenties and have at least 2 to 3 years' experience of similar work. In addition to providing a sales service on ordinary shares he/she will also be required to develop similar responsibilities in the traded options market.

Please apply to A. G. Wright, Staff Manager, Phillips & Drew, Lee House, London Wall, London EC2Y 5AP

FOREIGN EXCHANGE

Senior Calling Officer

Age 28 + c. £10,000
Respected American Bank requires dynamic person with good F/X Dealing background to market Bank's dealing services to corporate customers. Excellent long-term career opportunity and full banking benefits.

Junior Dealer

Age 24-27 c. £8,500
Major International Bank seeks able and ambitious young F/X Dealer to assist senior officer. Prospects to progress to marketing role.

F/X Admin.

Age 25-30 c. £8,000
City U.S. Bank has opening for career-minded person with sound F/X background to assist F/X Manager. European languages an advantage.

For more details of the above positions and the many more we are currently handling, please telephone, in the strictest confidence, Mark Stevens.

BANKING PERSONNEL
41/42 London Wall-London EC2 Telephone: 01-588 0781
(RECRUITMENT CONSULTANTS)

£6,000 accountancy appointments £9,000

These advertisements appeared in the Financial Times on 11 March 1980

Job Title	Salary	Location	Advertiser
Qualified Accountant Spanish speaking?	£9,000	London Based	Hoggett Bowers
Assistant to Group Financial Director	—	London Based	Charles Barker ABH Ltd.
Financial Accountant	—	Kent Coast	Huyek Ltd.

For further details of these advertisements please see the Financial Times of that date or telephone Sally Stanley on 01-248 5597

A new approach to your career

If you are an able, experienced executive or professional person, yet somehow you are not making the most of your potential, perhaps you need a new approach in your career.

We specialise in assessing and developing senior people towards personal career satisfaction, to take charge of their own futures and to make the most of their talents and experience to achieve optimum personal and financial rewards.

If you're not entirely happy with the way your career is going, why not come and meet one of our professional Career Advisers, without charge or obligation. For your personal, confidential appointment please write to us now.

FREDERICK CHUSID & COMPANY LTD.
The Consultants in Executive Evaluation and Career Advancement
London: 35-37 Fitzroy Street W.1.
Please phone: 01-637 2288.
Fax: 01-637 2288.
P.O. Box 116, 41 Avenue Road, 75008. Phone: 574-25-20.
We are not an Employment Agency.

Oil Specialist

c. £15,000

An Oil Specialist with at least 3 years' relevant experience in the oil industry, good knowledge of international markets and sales, and ability to develop the research and sales coverage of sector for up to 10%.

EUROPEAN RES/SALES

c. £10,000 + bonus

Graduate, 27-35, with good knowledge of European investment markets and sales, and ability to develop the research and sales coverage of sector for up to 10%.

FINANCIAL ANALYST

c. £12,000

Graduate, 25-32, with at least 3 years' relevant experience in the financial services industry, good knowledge of international markets and sales, and ability to develop the research and sales coverage of sector for up to 10%.

For a strictly confidential talk about these or other positions with Occidental and International contact Agency lines, or Fiona Stephens.

Stephens Associates

International Recruitment Consultants
35 Dover Street, London W1X 3DA. 01-693 0617

MOTOR CARS

BMW—M1

One of only four known to be registered in Britain this year.

Delivery mileage.

ALL EXTRAS

£35,000

01-218 5090 (O) 01-720 2615 (H)

COMPANY NOTICES

U.S. \$100,000,000

REPUBLIC OF THE PHILIPPINES

FLOATING RATE NOTES DUE 1986

On behalf of the Republic and the Central Bank of the Philippines, the undersigned hereby announces that the 10% Floating Rate Notes, Series 1, dated 15th March 1980, will be issued in the amount of \$100,000,000.

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EUROBOND SETTLEMENTS CLERK

We seek a YOUNG PERSON with 1-2 years' experience who is fully conversant with AIBD rules. We offer attractive salary and working conditions, and excellent fringe benefits.

Please ring (in confidence) Mrs. H. Loveday on 01-638 6141

PROPERTY LAWYER of high ability

with experience of substantial and complex matters is sought by a leading London firm of solicitors. The work is interesting and stimulating. The initial salary and career prospects are excellent.

Apply with full curriculum vitae to: Box A7091, Financial Times, 10, Cannon Street, London EC4P 4BY.

APPOINTMENTS WANTED

MERCHANT BANKER

Energetic chartered accountant with 10 years' experience in corporate finance, mergers, acquisitions, and fund-raising. Excellent opportunities for advancement in a leading merchant bank. Write Box A7089, Financial Times, 10 Cannon Street, London, EC4P 4BY.

EDUCATIONAL

Languages in Oxford

Individuals designed intensive courses in French, German, Italian and Spanish. From one day to several weeks duration. OISE OXFORD INTENSIVE SCHOOL LANGUAGES 1315 High Street, Oxford OX1 4EA Tel 01865 47272. Telex: 527885

PERSONAL

AFTER EASTER, Lady will be free to cook and cater for small business functions. Wholesome Country House type of food. Home cooked. 10-12 guests. Tel: 01-248 5597.

PUBLIC NOTICES

BIRMINGHAM COUNCIL BILLS
£7.5m 91 day 31/15 issued 12th March 1980, mature 12th Jan 1980. Application for registration of the bills should be made to the Council's Finance Department, 100, Corporation Street, Birmingham B4 6AA. Tel: 01-218 5597.

TRAVEL

GENEVA, Basle, Zurich and Bern, a most choice of cheap flights from 4 UK airports. Brochure FALCON 01-251 2197.

CANON INC.

Advice has been received from Tokyo that the 70th Ordinary General Meeting of Shareholders of Canon Inc. will be held at its Conference Room at 30-2, Shimomura 2-Chome, Chiyoda-Ku, Tokyo 100, on Friday, 25th March 1980.

ITEM OF AGENDA
Re: Approval of the business report, balance sheet, income statement and profit and loss account for the year ended 31st March 1980.

Re: Election of Directors and Auditors for the year 1980-1981.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

IN THE OFFICE



Caps soldiers on

ALTHOUGH IT is now widely understood within the microelectronics industry that the owners of Caps Microfilm, the giant Pilkington glass concern, intend to diversify themselves into the computer field, this 180-employee design and production unit will almost certainly remain unaffected in terms of its product excellence and has in fact made a bold showing at the Microfilm 80 exhibition at Wembley Conference Centre.

Specialising in 35 mm equipment, the company has a turnover of about £4.5m and has some 2,300 accounts.

Principal introduction at the show is the second generation of the company's A1 Printer/reader, the Mark 2. The new unit can accept a wide range of microforms including 35 mm aperture cards, 16 mm and 35 mm roll film, and microfiche, strips and jackets.

Wide acceptance is expected in the drawing office and on the shop floor of engineering companies as well as in government departments, libraries and local authorities.

The machine has a magnification range of 7.4 to 23 times,

continuously variable. A fixed 30x lens is also available as an optional extra allowing part of the image of A0 originals to be printed full size on to A1 or A2 paper.

The full A0 size is in fact achieved by printing in two halves on A1 paper. However, printing paper of any size up to A1 can be stored within the machine body and the fast and inexpensive electrostatic process employed produces prints at two to four per minute, depending on size.

A major operational advantage of the machine is that the image can be checked before printing. It can also be partially printed if need be and it can be altered in part, which saves the expensive alternative of re-drawing completely.

Total price of the machine including the two-door cabinet is just under £4,250 and the company says that if foreign exchange rates are not too unfavourable the Mark 2 should have a good price advantage over competitive equipment abroad.

More from Caps Microfilm, 396 Keaton Road, Harrow, Middlesex HA3 9DT (01-206 0747).

Powerful editor

replace can find and replace items wherever they appear in a document.

Records processing gives the operator ability to access the data base and create, update, or duplicate records by using a key identifier. Enquiry capabilities allow the operator to sequentially scan the data base. Document assembly permits the operator to select and assemble paragraphs or documents to create new documents.

The letter writing capability can merge assembled letters with variable information such as names and addresses extracted from the data base.

The 1800 can also rearrange variable information in any order to form a manipulation becomes one simple step.

Mathematics package is a powerful tool for dealing with extension calculations and column additions.

Vydec is on 01-834 9070

COMPONENTS

Switch in a sandwich

FRONT PANELS which incorporate very thin laminated switch assemblies are available from R. H. Nameplates on the basis of custom design for particular applications.

Top film of the laminate is a stable polycarbonate with external surface finish as required and reverse printed nomenclature on the underside. Under this is a sandwich of top and bottom contact sheets and a spacer sheet, over the area of which a number of push buttons functions can be independently disposed. A relatively stout backing panel is laminated on the underside.

Contacts are brought out so that the complete panel can be plugged in via a suitable edge connector to the associated circuits.

The company claims very long life — up to 20m operations — and low contact bounce. In fact, the actuation force can be tailored to suit the customer. The limits of shape, size and packing density are wide and it is possible to incorporate back illumination, secret-until-lit displays, after windows matched to emitted light wavelength and concealed stud fixings. The whole is environmentally sealed.

More from Easton Lane, Winchester, Hants (SO62 61707).

Power up, weight down

AS THE result of using the improved characteristics offered by rare earth magnets and a wound iron armature, the latest 285X series of DC servomotors from Inland Motor Products Division of Kollmorgen (UK) are said to offer an improved power to weight ratio and "new standards" of motor performance in terms of duty cycles and reliability — at a competitive cost.

The high duty, reduced size and lower weight result in a small inertia which improves the response and enables angular accelerations in excess of

15,000 radians/sec to be achieved. In addition the thermal capacity is high, giving the motors the ability to handle rapid, repetitive positioning cycles. The speed range is 20,000:1 with minima down to 6 revs/min. Only three lengths of frame are needed to cover a range of torque from 2.0 to 8.1 newtonmetres, and peak torque up to eight times the continuous rated figure are obtainable with safety.

More from the company at 13, Newnham Street, Bedford, MK40 3JR (0234 211171).

TEXTILES

Patterns change in seconds

ALTHOUGH most carpet produced in the world today is tufted, there are very few tufting machine builders supplying the trade. The process was developed just after the second world war in the U.S., which became the home of the machine building industry, later to be established in Blackburn, England, as an offshoot of that business.

The situation has remained unchanged in the intervening years. One of the major limitations of early tufting machines was patterning and initially the process was confined to the production of plain carpets. Later, simple little geometrics were possible.

Today a number of different techniques are available to the tufter, who can produce big and complex designs in a number of different ways, while in addition to this the trade now applies complex multi-colour designs to carpets by a number of different printing processes.

A new tufting machine has recently been developed in the U.S. which, it is claimed, can tuft patterns of two, three or more colours. It is known as the Graphics machine and is provided with two needle bars, both of which may be traversed laterally across the carpet width.

Interesting is that the programming of the shift of the two needle bars is completely independent. This offers wide scope for patterning. The shift of each needle bar can be up to 3 inches so that with, say, a diamond pattern the total width may be up to 6 inches.

The Graphics machine is built by Tuftco Corporation, (British agent: Pickering Enterprises, Victory House, Prospect Hill, Douglas, Isle of Man. Tel. 0624 27996.)

SAFETY

Essential supplies kept going

EMERSON has improved the capabilities of its Accupower uninterruptible power supply equipment. The new UPS is based on static inverter technology but has higher operating efficiency, an increased power-to-size ratio, greater operator safety and a number of developments in the power circuit control electronics.

Some redesign on the power circuit side has also taken place and servicing is made easier by the circuit diagnostic facilities provided. There is also less acoustic noise, which is reduced mainly through a change in the air-cooling procedure and redesigned magnetic components.

The range will be extended later but the first new unit is intended for the centre of the market. The 200 kVA AP735 which is being manufactured compares with a top of the range machine of 350 kVA.

From a similar frame size as used on the Series II equipment the Series III Accupower provides a 43 per cent increase in power/size ratio. This increase is obtained by taking maximum advantage of improvements in the electrical components used for the power switching circuits.

Emerson Electric, Elgin Drive, Swindon, Wilts. 9783 24121.

Foam fights fires

COMPATIBLE WITH all types of dry powder and other aqueous fire-forming foams is Hydrosil, a new fire-fighting chemical surfactant, as introduced by Angus Fire Armour, Thame Park Road, Thame, Oxon (Thame 45451).

Said to have high foaming properties, it will produce a vapour suppressing aqueous film on flammable liquids and can be used with standard low expansion foam-making equipment.

It is available in either 6, 3 or 1 per cent induction grades but low temperature grades are also available, all suitable for use with either fresh or sea water.

Sign for our times

RECOMMENDED FOR use in areas that are vandal-prone is a sign which comprises a sandwich of clear Orglas DR reinforced by a glass reinforced plastics (GRP) laminate whose message is screen-printed on the reverse face of the Orglas DR to render it virtually impregnable to criminal attack.

Its exceptional pressure-resistance means that the sign can also serve ideally in coastal regions and industrial areas where corrosive, salty fumes and rain are a constant threat.

More from 3M House, P.O. Box 1, Bracknell, Berks. RG12 0JY (0344 267262).

We have the capacity to JIGS AND FIXTURES

If you can put your problems on paper providing it is not too large or small we are prepared to quote for it.

KCV PRECISION TOOL COMPANY

No. 2 BERRY STREET, HATFIELD

TEL: HATFIELD (30) 64353

FOR CONTRACT RESEARCH & DEVELOPMENT

INTERNATIONAL RESEARCH & DEVELOPMENT CO LTD
Fossway, Newcastle upon Tyne NE6 2YD

HANDLING

One-man jack system

MANUALLY PUMPED hydraulic jacks promise safe, effortless lifting of heavy drums (in the warehouse or factory or on site) to allow payout of cable, overhead traction wiring, wire-rope, hose, etc.

Reel-Tech, Sawmills Industrial Estate, South Road, Alnwick, Northumberland (0665 3619).

There are three sizes covering maximum diameters 1,800, 2,750 and 3,350 mm, and maximum weights 3,000, 6,000 and 10,000 kg—minimum drum diameter is 880 mm.

Supplied in pairs, the jacks have a square-tube framework with stable tripod base enclosing a carriage which runs vertically between two columns.

By placing levelling supports under the jacks, and using a higher bearing hole on one side than the other, drums can be safely lifted even on slide slopes, says the company.

Optionally, the jacks can have a collapsible framework for easier, cheaper transport and storage.

PACKAGING

Messages on tape

IDEAL FOR printing on self-adhesive vinyl tape, as well as other narrow-web materials, is a new three colour rotary letterpress flexo printing machine launched by Carlisle Brothers, Machines (Long Eaton), Acton (06076 5745).

Offered to companies handling medium and large size orders for labelling products, it will provide improved printing techniques and quick interchanges during faster and more consistent runs.

The Windsor CL3 has an operating speed of 0.70 metres a minute with print length increments of 2.5 mm and a maximum repeat length of 430 mm.

It has facilities for die cutting and slitting and can print on a range of materials (with web widths of 152 mm) including natural and synthetic fabrics, ribbons, tapes, self adhesive stock, plastics, films and foils.

HEATING

Roof skin saves cash

APART FROM promising a reduction in heating bills, application of a composite seamless coating of foamed thermal insulation with integral weather-proofing over an entire external surface, serves to upgrade old or new roofs, according to Ruberoid Insulation Services, 1, New Oxford Street, London W1 (01-405 9501).

Ruberol can be applied to flat or pitched roofs of metal, asbestos, cement, concrete, timber, felt, tiles, slates or asphalt.

It can be sprayed on to vertical or overhead surfaces or corners, is said to fill all cracks and crevices and adheres tenaciously to the roof surface and all its contours.

PROCESSING

Easy cable repairs

NO VULCANISATION nor the application of any heat is required to make repairs to flexible and

Time to act on U.S. oil prices

BY DAVID LASCELLES IN NEW YORK

THE B Japan's month prompt Bank of another discount few day

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A LOT of kites have been flying over Washington in the last few days as Mr. Carter and his advisers assess what measures could or should be included in their new anti-inflation package. These have ranged from credit controls to sweeping budget cuts. But by far the most sensible was the idea that came out earlier this week for a hefty tax—about \$5 per barrel—on imported oil. It has so many attractions that it must stand a good chance of being implemented.

The theory behind the tax is that a sharp rise in oil prices will do more good than harm, even with inflation in double digits, and even to election year. The only danger is that it will get squashed by people who focus on its inevitable short-term inflationary impact and ignore the long-term benefits.

Shock therapy

Mr. Jeffrey Nichols, a prominent Wall Street economist who strongly supports the tax, comments that it is a "shock therapy" or a long period of water torture. The immediate effect of the tax would be to push up oil product prices in the U.S. by about 10 per cent. This is admittedly a lot when basic inflation is already running along at 1.5 per cent a month with little respite in sight. But let us follow the effect through.

Recent experience has shown that U.S. demand for petrol and heating oil is highly price-elastic. So a further price hike could confidently be expected to force people to drive less and turn their thermostats down. Oil consumption would ease off, and so would oil imports. This in turn would help the U.S. overseas trade balance and the dollar. And what is good for the dollar is good for inflation because it brings down the cost of imports.

This is a long chain of consequences, and there is no guarantee that it will work. But at least the possibility exists that the oil tax could in the end help the inflation problem. Domestically, a big and sudden rise in oil product prices might be expected to have a salutary effect on the country's inflation psychology too. At the moment, the phased decontrol of oil prices initiated by Presi-

dent Carter last year means that whatever happens the cost of fuel will rise by about 4 per cent a month until it reaches world levels towards the end of next year. This expectation is now firmly built into contracts, wage settlements and so on.

But a one-time leap in oil prices, though painful at the time, would leave U.S. oil prices with less reason to go before they reach world levels. Those monthly inflation figures could improve as a result. The shock of a sudden jump might also tip the U.S. economy into recession, something the Administration has been vainly trying to do for the last year in the hopes of taking some of the pressure off prices.

On the other side of the books, the tax would yield about \$11bn for the Government in the next fiscal year. This would help bridge the deficit budget gap and reduce the huge Treasury borrowing requirement which has been a factor behind the inexorable upward march of interest rates.

Internationally, too, the tax would be welcome for two reasons: by curbing U.S. oil demand it would take some of the pressure off the world oil market and make it harder for OPEC to push through new price increases. It would also be a token of Mr. Carter's continuing determination to solve the U.S. energy problem and live up to his promises to bring down imports.

The question, of course, is whether the tax would be politically acceptable. And the answer seems to be yes. There is (for election year) a striking readiness in the U.S. for tough economic measures to combat inflation and get the country out of its energy mess. But even if Congress did prove hostile to the tax, Mr. Carter could introduce it on his own authority under emergency trade legislation. Better still, he could even abandon phased decontrol of oil prices and shackle all controls tomorrow, a drastic solution which is not without its supporters.

Mr. Carter's freedom to act swiftly over the tax is one of its main attractions: there would be no counter-productive delay as Congress debated it and no chance for hoarding. He should take advantage of the public mood to act.

THE EEC Commission denies that it is systematically extending its powers. It is only using the powers which it always had under the EEC Treaty and Regulations more frequently than before. That such protestations are not true has been demonstrated in the case of Camera Gare v. EEC Commission when, as *Justitiam* reported here last Monday, the Commission obtained from the European Court the power to take interim measures in competition matters before it had reached a decision.

In another case ** in which an appeal of AM and S Europe (a subsidiary of RTZ) is still pending before the European Court, the Commission claims that in the course of an investigation its officials alone, and not the company concerned, decide whether a certain document is, or is not, a privileged communication between a lawyer and its client and, as such, should not be used in evidence.

Next week the European Court will hear an appeal by National Panasonic (UK) against a decision taken by the Commission on June 22, 1979, and followed five days later by a surprise raid by the Commission's inspectors of Panasonic's offices in Slough. Similar raids were carried out simultaneously on 19 other EEC companies suspected of hindering parallel imports of their audio products. In its appeal Panasonic claims that EEC Regulation 17/62 gives

the Commission the power to make such a decision only after it has given the company the opportunity to provide the required information and documents "voluntarily"—in other words, without the element of surprise. Let it be said right away that Panasonic could have made short shrift of the whole affair by refusing the Commission's inspectors access to its papers. Neither the Commission's inspectors nor the officials of the Office of Fair Trading accompanying them could have used force or asked for police assistance. True, the Commission could have asked Panasonic to hand over documents, but this would have been a relatively low ceiling, and in any case Panasonic would have gained time to consider its position. Panasonic, however, chose to comply. The Commission in its defence, submitted to the court in the course of the written procedure, insists that Article 14, Regulation 17/62, under which it acted does not require a "two-stage procedure". Under this the company would first of all be asked to co-operate, and a decision obliging it to submit to an inspection would follow only if it did not. Panasonic argues that Article 14, providing for verification of information must be read in the spirit of Article 11 which expressly provides a two-stage process for the obtaining of information.

Here we are again at the wretched question of interpreta-

tion, which some believe to be no very different on the Continent. Purpose and intent—the teleological approach—is said to be the key to the continental method, as distinct from the English method, believed to go by the letter of the law. Such a distinction is largely illusory, and for the rest mainly a question of degree. The intention of the legislator

judges the power to defy the clearly expressed intention of the legislator in the name of some imaginary wider purpose which prompted the legislation.

Indeed, the method by which the judge should proceed when interpreting the statute has already been admirably defined in the Civil Code of Maria Theresa of 1811. The judge should, in the first place, consider the letter of the law. If that is not sufficient in the circumstances, he can refer to the intention of the legislator. When this is not evident he can seek help by analogy with other laws, and when none of these three steps has enabled him to reach a conclusion he should give his judgment according to what he thinks fair and just. Broadly speaking Continental judges observe these yardsticks and the sequence in which they should be applied.

As no legal system, English or continental, can be anything but a pyramid of rules aspiring to govern the future behaviour of people, the law makers cannot foresee all the circumstances in which the law will be applied. Every judge is, therefore, left with a certain freedom to complete the creative process started by the legislator. The Panasonic case provides an excellent example of the interaction of problems which may be encountered by the judge in doing so. The words of Article 14 of

Regulation 17/62 seem sufficiently clear about the Commission's powers to order a verification of information without asking first for "voluntary co-operation." If the European Court finds that this is so, there will be no need for it to seek assistance in the records of parliamentary debates, but it will still be left with the question of Article 14 does not infringe human rights at national justice rules which are placed at a higher level of the pyramid forming the European legal system.

Here the European Court will have some difficulty in applying to the EEC situation rules evolved in the national laws of member states. The Federal Cartel Office, the powerful anti-trust enforcement agency of Germany, must obtain a court warrant every time it wants to carry out one of its dawn raids on the offices of suspect companies.

In the UK, the Office of Fair Trading has no powers of search, and even the Inland Revenue has to ask a judge for permission whenever it wants to make a search and take away documents. The EEC Commission, however, is police, prosecutor, and judge all rolled into one. That's where the root of the trouble lies.

(1980) 1 C.M.L.R. 334. Commission Decision July 6, 1979. OJ L199/237. European Court Luxembourg, Case 730/78: 11 TLR March 10, 1980.

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

It supports the argument by the Commission that the Commission who, when Regulation 17/62 was discussed in the European Parliament, said: "We foresee, first of all, that information is given voluntarily. If it is not the Commission will have to take a decision. The same applies to the subsequent verification. The interested party may appeal to the Court of Justice. It may obtain a stay."

However, the arguments encompass a wider field. Panasonic evokes human rights and natural justice, the principles of which should be observed in Community law, and the Commission counters this by saying that Panasonic's claim would make it impossible ever to carry out an investigation, no matter how serious the circumstances, without first giving the enterprise involved an opportunity to destroy or hide all the relevant documents.

To give companies such a possibility "would be contrary to the principle that the community legislation must be interpreted so as to give full effect to its purpose," says the Commission.

Here we are again at the wretched question of interpretation, which some believe to be no very different on the Continent. Purpose and intent—the teleological approach—is said to be the key to the continental method, as distinct from the English method, believed to go by the letter of the law. Such a distinction is largely illusory, and for the rest mainly a question of degree. The intention of the legislator

Approaching—a fairly safe bet

WITH question-marks against the names of the four heading the Tote Cheltenham Gold Cup betting, I believe hackers could well do worse than consider Approaching as a win and place prospect. A lightly raced nine-year-old, the handsome Findon chestnut

performance to date when forcing Grand Canyon to his limits in the SGB Chase. In that event, Approaching, giving Grand Canyon 1 lb, took on the duo Colonial Cup winner from a mile out. It was only in the closing stages, after the outcome seemed to be in the balance for a long while, that Grand Canyon asserted his superiority over Approaching, who outjumped him almost throughout.

Approaching, fired after that race, when hoot in a leg failed to respond to treatment as quickly as anticipated, has run well on both his outings to date this season.

Making his long-awaited re-appearance in the Compton Chase, Josh Gifford's charge only weakened out of contention in the home straight. That run was followed by an even more creditable effort at Kempton. There, nine-year-old, having

only his second race in over 14 months, pressed Father Delaney until weakening in testing ground as the pair approached the final furlong. Approaching, in "top trim," according to Gifford, will have come on a good deal since Kempton, and with fluent bounding—his chief asset—it is difficult to envisage him more than repaying each-way support.

Of the remaining 17 runners in the largest Gold Cup field since the War, I have most regard for Tied Cottage. But for a mistake at the final fence a year ago, I believe Dan Moore's veteran would have just held Alverton's challenge.

CHELTENHAM 2.15—Batches Hall*** 2.50—Rolls Ramble* 3.30—Approaching 4.05—Nervik 4.40—Callanago** 5.15—Brendan's Slave

Looks Familiar, 4.15 Gymnasium, 4.45 Varsity, 5.15 Johnnie Newstead, 5.20 Crossroads, 6.00 Regent Woe, 6.55 Emeraldale Farm, 10.20 Glamour, 11.05 Lady's, 12.30 International, 12.45 Hamilton, 1.00 News, 10.30 Thames Report—Chemicals: Trouble in Store. 11.00 Lou Grant, 11.45 News, 12.00 What the Papers Say, 12.15 am Glore: Personal choice with Anna Ford. All IBA Regions as London except at the following times:

ANGLIA 1.25 pm Anglia News, 2.45 House-Party, 3.15, 4.15 Gymnasium, 4.45 The Next Week Show, 5.15 Emeraldale Farm, 6.00 About Anglia, 6.15 Anglia, 6.55 Sport, 7.30 International, 7.45 Marchway, 11.00 October's Private Lives, 11.55 Thames.

ATV 12.30 pm Gardening Today, 1.20 ATV Newsday, 2.45 The Sportsman, 3.45 Looka Familiar, 4.15 Gymnasium, 4.45 The Life and Times of Grizzly, 5.15 News, 5.30 Crossroads, 6.00 Day by Day, 6.25 University Challenge, 6.55 Emeraldale Farm, 10.30 Format V, 11.10 ATV Newsday, 11.55 Lou Grant.

BORDER 1.20 pm Border News, 2.45 House-Party, 3.15, 4.15 Gymnasium, 4.45 The Next Week Show, 5.15 Emeraldale Farm, 6.00 About Anglia, 6.15 Anglia, 6.55 Sport, 7.30 International, 7.45 Marchway, 11.00 October's Private Lives, 11.55 Thames.

CHANNEL 1.20 pm Channel News, 2.45 House-Party, 3.15, 4.15 Gymnasium, 4.45 The Next Week Show, 5.15 Emeraldale Farm, 6.00 About Anglia, 6.15 Anglia, 6.55 Sport, 7.30 International, 7.45 Marchway, 11.00 October's Private Lives, 11.55 Thames.

GRANADA 1.20 pm Granada News, 2.45 House-Party, 3.15, 4.15 Gymnasium, 4.45 The Next Week Show, 5.15 Emeraldale Farm, 6.00 About Anglia, 6.15 Anglia, 6.55 Sport, 7.30 International, 7.45 Marchway, 11.00 October's Private Lives, 11.55 Thames.

ITV 1.20 pm ITV News, 2.45 House-Party, 3.15, 4.15 Gymnasium, 4.45 The Next Week Show, 5.15 Emeraldale Farm, 6.00 About Anglia, 6.15 Anglia, 6.55 Sport, 7.30 International, 7.45 Marchway, 11.00 October's Private Lives, 11.55 Thames.

LONDON 9.30 am Schools Programmes, 12.00 Poppers Tunes, 12.10 pm Stepping Stones, 12.30 The Big News, 1.00 News, 1.30 Today, 1.50 News, 2.10 Today, 2.30 News, 2.50 News, 3.10 News, 3.30 News, 3.50 News, 4.10 News, 4.30 News, 4.50 News, 5.10 News, 5.30 News, 5.50 News, 6.10 News, 6.30 News, 6.50 News, 7.10 News, 7.30 News, 7.50 News, 8.10 News, 8.30 News, 8.50 News, 9.10 News, 9.30 News, 9.50 News, 10.10 News, 10.30 News, 10.50 News, 11.10 News, 11.30 News, 11.50 News, 12.10 News, 12.30 News, 12.50 News, 1.10 News, 1.30 News, 1.50 News, 2.10 News, 2.30 News, 2.50 News, 3.10 News, 3.30 News, 3.50 News, 4.10 News, 4.30 News, 4.50 News, 5.10 News, 5.30 News, 5.50 News, 6.10 News, 6.30 News, 6.50 News, 7.10 News, 7.30 News, 7.50 News, 8.10 News, 8.30 News, 8.50 News, 9.10 News, 9.30 News, 9.50 News, 10.10 News, 10.30 News, 10.50 News, 11.10 News, 11.30 News, 11.50 News, 12.10 News, 12.30 News, 12.50 News, 1.10 News, 1.30 News, 1.50 News, 2.10 News, 2.30 News, 2.50 News, 3.10 News, 3.30 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THE ARTS

Record Review

Two masters

by DOMINIC GILL

Chopin: Four Scherzos. Sviatoslav Richter. United Artists Cadenza UACL 10016 (£3.19)
Chopin: Four Ballades. Vladimir Perlemuter. Nimbus 2110 (£4.85)
Ravel: Piano works complete on three records, available separately. Vladimir Perlemuter. Nimbus 2101-2103 (£4.85 each)

Richter has not until recently made his mark as a Chopin pianist. He first played Chopin in London only three years ago, and it was then—both of the pianist and the music—a revelation: his B minor Scherzo, and his hauntingly beautiful performance of the Barcarolle, still ring in the ears. Just as many pianists save late Beethoven for their later years, Richter has saved Chopin (I remember him remarking once, at his festival in Tours, that he believed Chopin to be the most gravely underestimated of all great composers, not so much by audiences as by pianists themselves).

So these Scherzos, at medium price on a little-known label, are not reissues, but new recordings made last year jointly by Melody and RCA Victor Japan. All praise to United Artists Records for snapping up the UK distribution so speedily—though RCA's decision to license is surely a mystery: for this is one of the finest new piano records to emerge for many seasons, and it should find its way instantly to every, even the humblest, record collector's shelf.

No information is provided about the recording location; but I would guess that it was not at the same studio, or at any rate that the recordings were made at a number of different sessions: the B flat minor and C sharp minor Scherzos have a very slightly plummy, more resonant ambience than the B minor and E major. I would guess also that

Richter is playing his (these days) customary Yamaha concert grand, with its pearly treble, bell-like middle, and light, 19th-century bass—less richly coloured and resonant than a Steinway, but in some ways clearer and more subtle, every timber in perfect chamber balance throughout the range.

On every page there are extraordinary and original things: yet the manner is scrupulously faithful to the spirit, as well as the precise letter, of the score. Each performance combines (or seems to combine: that paradox of all artistic re-creation) the fruit of mature and long reflection with the freshness of a clean, breezy, everywhere new accents, new colours, new perceptions to freshen the stale air of so many stale readings of these great, too-familiar works.

The solo voice middle section of the B minor Scherzo, a breathless sonority that seems to grow closer, not farther away, as it grows quieter, is turned with only the barest pause on the third beat into a dreamlike mazurka-barcarolle. In the second Scherzo, Richter discovers an extraordinary combination of brightness and smouldering fire. Much is stated only by implication: the sonority of the C sharp minor Scherzo is not itself huge, but vast in the vision it gives of power unused, in reserve. Nothing in playing of such powerful economy and close focus need be over-stated: the darkest menace is implied by a single timbre, a single note. In the E major Scherzo, Richter's instrument allows him the indulgence of a host of marvellous half-pedal effects—mute sforzando explosions, dizzy splashes of light. The final climaxes of the B flat minor and C sharp minor Scherzos sweep everything from their path, not with abandon, but with windy, elemental force. The coming year may see many fine new piano records; but I doubt that any will prove more exciting, or more rewarding, than this.

For all that there are only 10 years between them—in four

years' time Richter will be 70, and Vladimir Perlemuter 30—Perlemuter is very much a pianist of the "older" school. Or more accurately, perhaps, since he studied both with Cortot and with Ravel, he bridges both. His readings of the Chopin Ballades are impulsive, expansive, a shade less scrupulous in their observance of the letter of the music, and without Richter's titanic technical command—but the spirit of the music is just as keenly evoked, and with marvellous freshness and authority. There is indeed really no point to, just as there are really no points of comparison: only kinship.

Perlemuter rediscovers in a wholly personal manner, and with intimate refashions, the sighing lyricism of the A flat Ballade—and of the F minor, its yearning and grand, melancholy triumph. But the playing is not indulgent: lines are fine-spun, and every colour mixed with care. If his Chopin owes much to the tradition of Cortot, Perlemuter's Ravel is performance and unmistakably of this mid-century: vividly coloured, broadly orchestrated, but above all scrupulously attentive to detail. His "Scarbo" from Gaspard de la nuit is a big, flashing canvas; but the virtuosity is most tasteful; the search is for the connecting gesture, and for the poetry of inner voices exactly meshed, never for speed. My own favourite of the set is Perlemuter's account of the Valse nobles et sentimentales, exquisitely poised and pointed, elegance without a trace of prissiness, nostalgia without a hint of kitsch, and everywhere the difficult, shifting pattern of rubatos perfectly gauged.

Interesting that both these master artists should have their recent records issued in this country on minor labels—is this just a foolishness of the smaller companies for which we must be eternally grateful, or yet another sign that the larger companies are losing their judgement, as well as their nerve?

Young Vic

An Optimistic Thrust

by MICHAEL COVENEY

The touring company, Joint Stock, has built a solid reputation for its collaborative methods between actors, directors and writers. This three-way stretch has yielded some excellent results, but the latest venture does away with a writer and falls back on the personal experiences of the cast. Taking that speech of Mrs. Alving in *Ghosts* in which she assesses personality as an amalgam of dead beliefs and inherited ideas, the actors proceed to deliver a rather self-conscious pot-pourri of reminiscence and direct address.

A thematic consistency is attempted by acting out excerpts from *Great Expectations* to demonstrate Pip's aspiration to jump the social barriers; as education is a recurring topic, the scene where Joe Gargery expresses the familiar objection to it as an incitement to class rebellion takes on special power.

It is suggested early on that reading the classics has nothing to do with one's personal life or expression. This fallacy, depressing enough in itself, I found doubly depressing on reflecting that the director who gives it house room, William Caskill, has himself directed so many memorable classic productions and, in his days at the Royal Court, never shut the door on our theatrical heritage even as he set about excavating for new work. He cannot now, surely, be aligning himself with the casual philistinism expressed by the company in their deliberately rosy ang versions, that top and tail the evening, of "Robin Hood" and "My Old Man's A Dustman." If he is, I despair.

The company emerges from behind three gaudily decorated screens in some quite striking but unimpressive masks. Here is Julie Covington doubling as a mother and whose figure (one leg stockinged, the other bared) is a challenge to the life-style of Pauline Melville as a bookish spinster. Here is Christian Burgess wandering nude as a child among a card-



Julie Covington

Leonard Burt

board meal table refusing to be sorry. Here is Bruce Alexander as a mad teacher invoking the classics; here is David Rintoul rejecting them in a sinister recitation of William Dunbar's "Lament for the Makaris" (the poem with the resonant refrain "timor mortis conturbat me") before demonstrating his "real personality" by chatting about his holiday experiences in Greece.

"Real" experience is not necessarily more valid or interesting than the lessons experience can teach us through fiction, so although one admires Miss Melville's liberal credentials in her account of her friendship with a victimised

Hammersmith Odeon

Peter Gabriel

by ANTONY THORNCROFT

Peter Gabriel once led a successful hand called Genesis, which he abruptly left. Since then Genesis has gone from strength to strength and so has Gabriel. At least there were enough loyalists around to pack the Odeon, and a current single "Games without frontiers" is a popular hit. The concert was a curious occasion; part very old—tall, wild haired men stumbled down the aisles like demented puppets, apparitions from the drug crazed sixties, part very new—Gabriel and the band wore black boiler suits with white piping, and looked like the relief crew for *SpaceShip Superstar*.

The same split was apparent in the music. It is very electronic, with Gabriel on keyboards and Larry Fast on synthesiser, and all the special effects, the strident spots and new sticks of bright lights littered about the stage, play up an

escapist inhumanity which then loses confidence in itself, and collapses into strong rock riffs and Gabriel darting about the stage, and into the audience, like a pop star. Long introductions to some pretentious new songs contrast with the singalong qualities of the current hit the chorus of which got only a half-hearted response from the stalls.

It is the oddities that give Gabriel a kind of charm. He takes himself rather seriously and this makes his music easy to parody. Yet glimpses of a real talent peep through and the fact that he can afford a good sound and lighting system cures the production values are worth experiencing. Underneath the layers of artificial sounds and lyrics there are some attractive simple melodies and Gabriel is at least trying to move his audience out of a 1970 time warp and into a more popular form of escapism.

Guildhall School

Poppaea

by ELIZABETH FORBES

Monteverdi's last opera, that superb celebration of the power of love, positively gains as well as loses in a performance by students. Though the philosopher Seneca and the Empress Octavia need the weight of experience and maturity—in their personalities rather than their voices—the central characters of Nero and Poppaea become not only more palatable, but more credible when endowed with extreme youth. In Tom Hawkes's production at the Guildhall School of Music, Nero is played as an outwardly charming teenager who turns vicious the moment his will is crossed, while Poppaea surrenders unthinkingly to ambition and sexuality.

The Guildhall performance, conducted with his usual scrupulous care for balance by Vilem Tausky, uses a version of Alan Curtis's edition of the score, with a dozen instrumentalists plus two stage trumpets for the Coronation scene. The text, sung in Arthur Jacobs's translation, is pared down to two-

and-a-half hours, including one interval, with the prologue containing the argument between Virtue and Chance cut altogether. The set, an arrangement of marble pillars with screens or curtains to create interiors, and the contemporary, seventeenth-century costumes, are by Linda Haysman and Eric Doughney of the Central School of Art and Design. The production runs swiftly and Mr. Hawkes has taught his singers to move with admirable unconsciousness, to match the free ebb and flow of the music between recitative and arioso. On Tuesday Richard Wales sang Nero.

As Poppaea, Philippa Dames-Longworth looks suitably lascivious and sings with attractive warmth of tone. Her determination to become Empress is not calculated, but part of her greedy desire for wealth, power and, of course, love. Jenny Miller fills Octavia's laments with equally passionate grief and hatred. Lindsay Webster's Seneca is gravely sung, though his characterisation lacks true gravity.

Wigmore Hall

Steven Isserlis

by ANDREW CLEMENTS

Not many young cellists would count Mendelssohn, Bloch, Liszt, Debussy and Seiber as the staples of an important recital. Steven Isserlis won the National Federation of Music Societies Award for Young Concert Artists last year, and a concert at the Wigmore Hall was part of the prize. To select such a programme suggests at once great assurance and an enquiring, fresh approach; both were apparent in his performances. Whether it made a successful, balanced evening was more questionable, however.

Mr. Isserlis was partnered by Peter Evans. From the back of the hall at least, one heard more of the piano; the cello

tone seemed too easily obscured by drily struck, unsympathetic playing. In Mendelssohn's D minor Sonata particularly, the eye rather than the ear suggested a quick-witted response: the first-movement Allegro rhapsodically moulded, the scherzo tip-toe soft. The Adagio, more destructively, became a barely accompanied piano solo, and a not very interesting piano solo at that. A fairer balance in the Debussy Sonata, and at once a more involving experience. Mr. Isserlis caught the protean mood of the Prologue exactly and followed it with a Serenade of fascinating half-lights and nuance, and a finale that refreshingly refused the temptation to seize the moments of full-blown lyricism at the expense of shape and mood.

Beyond the two sonatas the musical quality dropped. Mr. Isserlis never produced anything less than consummately finished, supremely relaxed playing (and Mr. Evans nothing more than efficient, functional accompaniment) but it was otherwise squandered on an inferior product. Bloch's Suite—From Jewish Life years rather too self-conscious and cannot manage a single memorable melodic figure: Seiber's Dance Suite is well made and gratefully written, nothing more. The rarity was a pair of pieces by Liszt: a Romance oubliée of ostive lyricism, which and before it has assumed a conclusive form, and an Etape of minimal thematic content, overworking a tiny motif to dubious expressive effect.

St. John's, Smith Square

1945

onwards

The fourth and penultimate concert of the London Sinfonietta's excellent Tuesday series of postwar music was framed by two substantial masterworks, both still relatively neglected, and both dating from the same year, 1969.

Ligeti's Chamber Concerto is one of his finest works of that period, and well worth reviving with Mendelssohn for orchestra, the climax of his gradual shift during the middle 1960s away from the massive web-forms of *Apparitions* and *Atmosphères* towards a music whose interweaving lines were more separate and distinct, and whose chordal structure was more clearly determined. Like *Melodien*, the Chamber Concerto is full of busy, lyrical music, and sudden, striking contrast—its four movements a development in clear formal outline of different "types of motion," from dark, nearly static rumination to "lightly fitting" conversations, erratic, splintered. The performance under Elgar Howarth was of the highest Sinfonietta standard, beautifully crafted, quick, deft, full of air and light.

Harrison Birtwistle's *Vereor* for Ensemble for 10 wind instruments and percussion was one of the first, and still one of the most powerfully gripping, of all the Sinfonietta's commissions since their founding in 1968. It reveals more riches at every bearing: a work of marvellous variety within an obsessively stick-it-in-the-frame—its slow-swell sequence of outbursts, declamations, interventions brilliantly unfolded, stridently antiphonal, but nonetheless, impressively controlled, a virtuoso essay in the techniques of repetition, canon, verse-form, ritornello, ostinato, held taut with a nearly invisible rein.

It made an exhilarating finale. In such a context, *Venus Fly Trap* for 13 instruments, a new Sinfonietta commission from Brian Chapple (h.1945), was no more than an irrelevance. Fair enough, essential even, in such a series to include as wide a spectrum as possible of post-war manners; but Mr. Chapple's little plant took its lifeblood not even from the first-rate mainstream but from all those insects that crowd the stagnot eddies of the "popular" side-streams. In an embarrassing preamble beforehand, the composer declared himself emphatically not to be a "pioneer of Lyons Teashop Music"; he could have fooled me.

DOMINIC GILL

NatWest's £20,000 for Sadler's Wells Theatre

Sadler's Wells Theatre Foundation has announced that National Westminster Bank is providing £20,000 for the benefit of Sadler's Wells Royal Ballet and Sadler's Wells Theatre. The bank took the initiative in approaching the ballet company and the theatre jointly to

see what area could best benefit from financial support. It was agreed to keep the theatre to improve working conditions for both the dancers and administrative staff. A large proportion of the £20,000 will be used for major improvements to the theatre's rehearsal facilities.

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Thursday March 13 1980

Keeping cool on Iran

PRESIDENT CARTER'S cool handling of the Tehran hostage crisis has undoubtedly helped him in his campaign for re-election. He has benefited from the traditional rallying of opinion behind the White House at a time of overseas emergency—subsequently compounded by the Soviet invasion of Afghanistan. He has further benefited, rightly, from general approval of the dignified and measured nature of his response to the captors' demands. At tactical, campaigning level, his decision not to go out on the bustings until the hostages are released has so far helped to frustrate Senator Kennedy's attempts to get a real two-man race going for the Democratic Presidential nomination.

UN Commission

But there have always been electoral dangers in such an approach. The first was that Senator Kennedy would turn the flank of a President pined down in the White House by concentrating his fire on a domestic issue like inflation—a danger of which Mr. Carter is now only too clearly aware. The second was that continuing negotiations with Iran over the hostages would at some point come to look more like impotence. That point has clearly come closer with this week's failure of the visit of the United Nations Commission to Tehran—an initiative on which a great deal of diplomatic effort has been expended, and which at least implied some sort of American recognition that the U.S. role in the Shah's Iran had not always been unimpeachable.

It is important, however, that Mr. Carter should not now be panicked out of the even tenor of his approach by the UN Commission's empty-handed exit from Tehran. Despite the setback, the door has not been completely closed on further negotiations. Both the U.S. and the UN appear to have been over-optimistic that the Commission's visit would lead to the hostages' speedy release. A gentlemen's agreement with Iranian leaders who are unable to deliver—if indeed there was such an agreement—never looked a very good bet.

Ineffective

But the main point is that the U.S. has no other realistic options. Military action is out of the question—and has long been ruled out in Washington. President Carter has also rightly dismissed any thought

of publicly apologising for alleged past American misdeeds or collaborating in the return of the Shah. Efforts to organise economic sanctions have proved ineffective, and any attempt to intensify them is likely to be counter-productive—if only by re-emphasising Western differences on the issue. It should only be undertaken if the West is prepared genuinely to act as one, and there is no sign that this is on the cards.

Even if it were, there are three further difficulties. The first is that the Soviet Union and its Allies are only too prepared to make good suspended sales of Western goods. The second is that Iranian society is not so consumer-orientated as to be immediately vulnerable to a trade boycott. The third is that economic sanctions, even if they could be made to work, would be directed at the wrong target.

President Bani-Sadr and his Foreign Minister, Mr. Sadeq Chubbakchi, may be ready to do a deal with Washington. They would probably not want the problem to be further exacerbated by new economic sanctions. But if the events of the last few weeks have proved anything, it is that the more moderate elements of the Iranian leadership are unable to impose their will against the combined forces of Ayatollah Khomeini and the students holding the hostages—neither of whom would probably be particularly disturbed by further economic measures against Iran. President Bani-Sadr sees a resolution of the hostage problem as a means of asserting his authority over the country's disparate power centres, it is equally possible that the Ayatollah is against it in order to maintain his own.

Humanitarian

It is unfortunate for President Carter that he has failed to secure the hostages' release, to say nothing of the sad human aspects of their continued imprisonment. But there are no signs as yet that the majority of the American people will abandon him if he declines to raise the stakes. An attempt at stronger action that failed would be worse, both for the President and for the hostages, than the present, admittedly intensely frustrating, stalemate. Difficult though it may be, the best course for President Carter is to keep his patience, while continuing to explore every possible avenue for negotiation and diplomatic pressure.

The two-way pull of Clegg and commodity prices

WHEN THE Labour Government unwisely set up the Clegg Commission and the Conservatives, with equal wisdom decided to continue with it, I wondered if either party pondered sufficiently the true cost of buying nft trouble in this way.

Those who comment on the moderation of some Clegg awards have forgotten that they do not represent the complete wage increases of the public servants concerned, but are being superimposed on normal wage-round gains. Along with Clegg should be put so-called Civil Service "pay research," whose effects are potentially even more devastating.

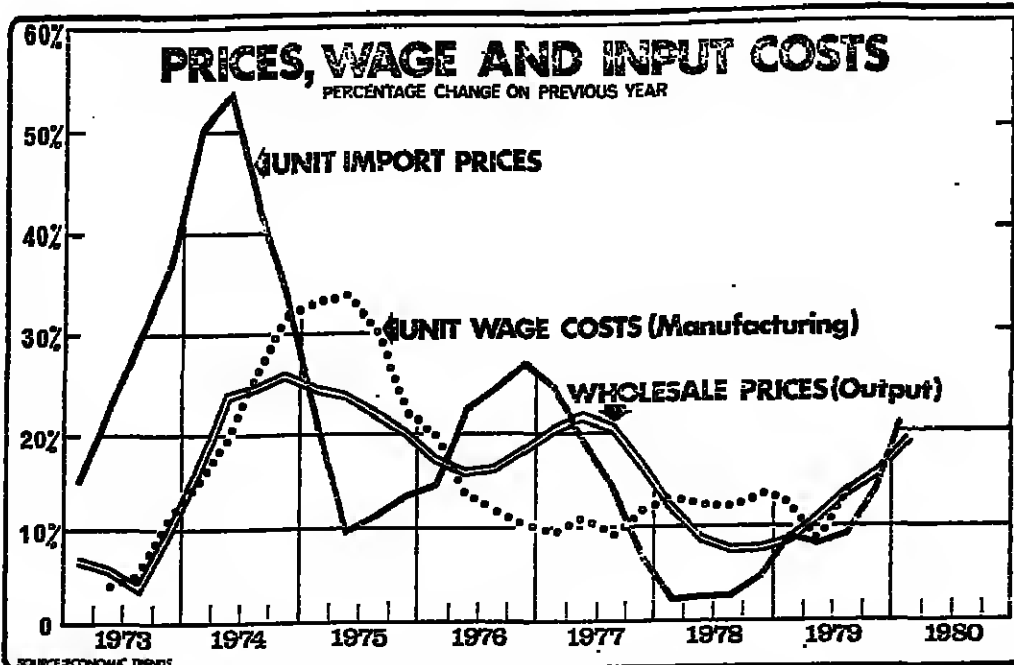
Local authority manual workers are receiving on average an 11 per cent Clegg award in two stages—last August and this April. In addition, a recent agreement provides for a 13 per cent pay increase back-dated to last November. Non-manual civil servants have done us a favour by accepting 25 per cent in stages from April, 1979 to January, 1980, they hope for another 17 per cent from pay research this August—and I haven't even mentioned indexed pensions.

Wood Mackenzie has made a gallant attempt to bring order to this confusion by constructing an index of pay rates of central and local government workers. Comparing pay with a year ago, the index shows a rise from an 11 per cent at the beginning of 1979 to 15 per cent at the end of 1979 to reach a peak of 25 per cent in the middle of 1980. It is assumed that the rate of increase will fall rapidly in 1981-82, levelling off at 12 to 13 per cent. But while the downward stage is a forecast, the upward one is an estimate of what is already in the pipeline.

It looks, however, as if these massive rises, completely out of relation to anything in private industry, will have their main effect on employment and not inflation. This is partly because services of people like teachers, police or civil servants, for which we do not pay directly, do not appear in the Retail Price Index.

While I disbelieve the whole batch of forecasts showing a 1980-type slump in output, I fear that unemployment will rise as much as if these forecasts had been true. This will be the direct result of the institutional pricing of workers out of jobs so much favoured by the so-called "doves" in the Cabinet. Here is another example where those who talk most about the social costs of unemployment are themselves the prime creators of the evil they denounce.

While excessive wage increases, mainly in the public sector, contribute to unemployment, the rise in inflation largely reflects forces outside the UK. Wholesale prices this February, which are not affected



by VAT at all, were over 18 per cent up on a year ago. Before putting all the blame for this on wages, we should remember that the index for materials and fuels purchased by industry rose by the staggering amount of nearly 29 per cent—or 41 per cent if the materials of the food group of industries are excluded.

These figures, which are heavily influenced by oil, of course somewhat exaggerate the international inflationary impulses. The best single measure of these impulses is probably the index of unit import costs. This covers finished and semi-finished products, as well as materials, and provides some indication of the price levels to which British suppliers have to accommodate in competition with imports. The import price index was 20 per cent up on a year ago this January. As this was a period in which a 12 per cent rise in the effective sterling rate moderated the effect in Britain of rising world prices, one is again left with a frightening picture of world inflationary pressures.

Fortunately, there is a light at the end of the tunnel. Commodity prices, for instance, reached a peak in early February. In the last month the dollar-based commodity indices have fallen by about 10 per cent. If this trend continues, it will suggest that the U.S. Fed has been more successful than it has so far been given credit for in curbing U.S. monetary expansion—which has provided the main inflationary impulse on a world-wide scale.

A world slowdown in inflation will benefit the UK, provided that sterling does not fall too much. A large depreciation might provide a temporary boost for exporters at the cost of heavier inflation later on—and an unemployment peak delayed to later in this Parliament. There will be no harm in losing a little bit of the hot

money froth in the sterling exchange rate. But one of the main functions of domestic monetary control is to prevent the effective sterling rate falling too far below last year's average of 67 to 68 (compared with recent peaks of over 74).

My Budget nightmare

THE MOST important part of the Budget this year will not be the news flashes about whether beer has gone up by 1p, or 1½p, or a packet of cigarettes by 4p, 5p or 6p. Nor will it even be whether the Chancellor has managed to take another 1p or 2p off the basic income tax rate by juggling with the reduced rate band and the allowances. It will not even be whether the Chancellor's best guess for next year's Public Sector Borrowing Requirement (PSBR) is going to be a little more or a little less than £8bn.

We already know that the Chancellor intends to reduce the PSBR slightly; but that thanks to the hoped-for spending cuts and higher oil revenues the tax side will be more or less neutral with reliefs in one direction being balanced by tightening up in others.

The real importance will be in the passages when the television presenters report: "Nothing is really happening now. He is just talking..." in other words the Budget Speech itself. To be more precise, the Government's economic strategy will be laid out not only in the Speech but in the Financial Statement ("Red Book"), which may contain a medium-term

fiscal and monetary framework, and the Public Expenditure White Paper. But the Speech itself irresistibly attracts most attention and determines the reaction of MPs, commentators and readers of the "heavy" papers.

Nearly all Budget Speeches to which I have been forced to listen have been atrociously drafted. The vast majority of so-called changes, which take up most of the speaking time, are simply adjustments of a vast variety of allowances, charges, benefits and exemptions made necessary simply by inflation. They may be adjusted by slightly more or slightly less than the inflation rate, and for some items several years' adjustments may be made at one time.

Most of this effort could be

cut out by the "formula" approach described in Economic Viewpoint on February 7. This requires a basic decision about how much of recent inflation to allow for. The adjustment should be less than complete—13 per cent is a figure enjoying some vogue. It would represent last year's rise in the Retail Price Index adjusted for direct tax cuts.

This or any alternative decided by the Chancellor would be the basic percentage for adjusting tax thresholds, social security benefits not fixed by statute, the specific duties and many other items. Of course, the formula need not be slavishly followed. Petrol duty could, for instance, be raised by more than the formula or the personal tax threshold raised by less. But the policy decisions would be in the formula and in the departures from it, and not in each separate nominal change. Although the decisions have already been taken, it is not too late to build the formula approach into the Budget Speech.

Passing from hopes to fears, I can foresee all too easily the familiar type of Budget Speech which would make me wish to be locked up inside Big Ben where I could scream undisturbed. A first sign that the old rubbish was coming up again would be the usual misleading figure of 1m or so people being freed from income tax altogether.

The table shows how every year the same group of people are taken out of the tax net, only to be dragged in again by inflation in the following 12 months. If one adds together the figures in Budget Speeches in the last 11 years, some 13.4m people have been relieved from tax. Yet there were 26m taxpayers at the end of the period compared with 23m at the beginning. In the unlikely event of Sir Geoffrey raising nominal tax thresholds by more than 17 or 18 per cent he can legitimately report that some people have been freed from income tax—

but far fewer than at first sight. More probably they will be raised by less, so that the real tax threshold will have been increased, as others will point out if he does not do so himself.

Thus my nightmare Budget Speech would culminate in a false claim for the numbers freed from tax. En route there would be a mass of separate changes not related to each other nor to the inflation rate and announced as mysterious "acts of judgment." After proclaiming scepticism about economic forecasts, there would then be a lot of statements in the first person such as "I expect consumption to rise by 1½ per cent," or "unemployment to rise by 225,000" when quite clearly the figures would be those thrown up by a politically massaged forecasting machine.

The archetypal bad Budget Speech would announce a cash figure for the PSBR as another "act of judgment" for the year immediately ahead, with the national product, to monetary targets, medium-term aims or the state of the business cycle. The monetary targets themselves would simply be rolled forward for one year ahead. There would in this nightmare be no attempt to relate the 1980 monetary target either to the overshoot in the year just ending or to medium-term aims, and past figures would be reported deadpan with no mention of the way in which cosset distortions cause the money supply growth to be understated.

The nightmare would continue with public spending cuts announced purely in "funny money" or volume terms, so that it would be impossible to set out tax and expenditure changes on a comparable basis.

There would also be a qualitative analysis of growth prospects based on the Treasury's assumptions that growth is limited by a balance of payments constraint in general and high import demand in particular. This would be inconsistent both with the fact that sterling is floating and with Sir Geoffrey's emphasis on supply constraints.

Finally there would be lengthy passages about wage restraint, of the kind which have occurred in almost every Budget speech since Cripps—and not at all closely related to the facts, figures and intentions of the operational part of the Speech.

Do I expect the nightmare to be realised? There will probably be some attempt to compromise between the traditional presentation—which the popular papers are supposed to like, but which in fact excites a healthy and earthy response from their readers—and something more rational. But compromises have a habit of being peculiarly unsatisfactory—especially if they attempt to say simultaneously that 13m have and have not been taken out of income tax.

Samuel Brittan

MISLEADING TAX RELIEFS

	Number liable to income tax*	Numbers "freed" from income tax in Budget
1969-70	23.7m	1.1m
1970-71	23.1m	2.1m
1971-72	22.4m	0.2m
1972-73	21.7m	3.0m
1973-74	23.3m	0.1m
1974-75	24.5m	1.5m
1975-76	25.4m	0.8m
1976-77	26.0m	0.8m
1977-78	25.2m	2.1m
1978-79	25.9m	0.4m
1979-80	26.0m	1.3m
		Total: 13.4m

* Earning wives counted separately.

Source: Hansard, House of Commons, February 14, 1980, House of Lords, February 5, 1979.

The case for outsiders

THE IDEA that British companies need more non-executive directors is gaining ground. Yesterday the Institute of Directors, in association with a firm of management consultants, launched a new service designed to provide appropriately qualified candidates to companies which wish to make new non-executive appointments to their Boards. The Confederation of British Industry, the Bank of England and the Stock Exchange are working on a scheme which would involve a list of approved management consultants to help companies find suitable non-executive directors. The Bank has been arguing for some time that most companies need to have a minimum number of outside directors to balance the full-time managers; institutional investors are being urged to use their influence to push this about.

Polarity

How much can non-executive directors achieve? The Institute of Directors believes that there is a "direct link between good Boardroom structure and good company performance." Unfortunately there have been too many cases where an apparently ideal mix of executive and distinguished non-executive directors has not prevented a slide towards disaster. The mere appointment of two or three non-executive Board members, however impressive their credentials, solves nothing. A great deal depends on the relationship with their executive colleagues and, above all, with the chief executive.

The story of Ozalid, a company which was the subject of a report published last week by Department of Trade inspectors, illustrates the point. The non-executive directors knew the company was badly managed and made numerous suggestions for improvement, but the chief executive did not want to listen. There was, as one of the directors put it, "a polarity situation," with the outsiders in one corner and the insiders in another.

If more companies are to appoint outside directors, they

have to establish the conditions in which the newcomers can do a useful job. The first requirement is that they should not be cronies of the chairman. Their loyalty must be to the company as a whole and not to a single individual. It is difficult for directors who have a professional link with the company, such as bankers or lawyers, to take the objective view which is necessary. There is much to be said for the American practice whereby senior executives in larger companies hold one or two part-time directorships in non-competing enterprises. Such men not only bring useful current experience to their non-executive post, but are in no way dependent on it for their livelihood.

The outsiders must have access to information on which to judge the performance of the company. They cannot operate efficiently unless the company has a reasonably orderly approach to decision-making; if it is dominated by an entrepreneurial chief executive who takes all the decisions himself, they would be better off declining the appointment. No one should accept an outside directorship unless the responsibilities of the job are clearly defined and understood by the chairman, the other Board members and the shareholders. If the present wave of interest in non-executive directors leads to a less casual approach in the way they are appointed and in the way they are regarded inside and outside the company, this will be all to the good.

Useful role

The appointment of outside directors is no panacea. It is the full-time managers who determine the success or failure of a business. But given the right conditions the non-executive directors can play a useful role in monitoring and stimulating the management. The task of those who are now pouring the greater use of outside directors is to ensure that the right conditions are created and that the widely held view of an outside directorship as a comfortable sinecure no longer conforms to reality.

MEN AND MATTERS

Woolly thinking about robots

Are there no limits to the potential uses of industrial robots? I ask because Joe Engelberger, president of the U.S. automation-maker Unimation, tells me he is already planning seriously for the time when he can produce a machine to take the blood, sweat and tears out of the task of parting sheep from their wool.

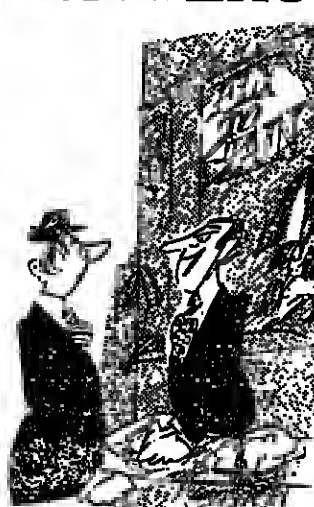
In London yesterday to launch Unimation's first factory outside the States, Engelberger explained that the works, to be built at Telford, will begin by manufacturing the Puma, a universal industrial robot. But in time it could also be constructing machines to render extinct the Antipodean sheep men who ply their trade around the world at shearing time.

He says even he was doubtful when approached with the idea by a couple of Australians, but he decided to take a closer look when he heard about potential sales. In Australia alone the human population is outnumbered four-to-one by sheep. Much advance work has already been done in Australia, where a method has been perfected for temporarily knocking-out the animals. Our consins are now involved in developing super-sophisticated sensors to enable the machines to adapt their shearing action to the different sizes, shapes and sex of sheep and thus prevent accidental removal of portions rather than wool.

Rooted out

A quite deliberate mystery, generating much literary gossip, is being made of the identity of "Henry Root," author of a very amusing collection of spoof letters (and genuine replies) being published at the end of the month by Weidenfeld and Nicholson.

Posing as a boisterous wet fish magnate, "Root" wrote to everyone from Prince Charles to



"... and if Luton closes we guarantee you a long Easter weekend at Gatwick or Heathrow."

heard of having a rough time as Chief Diplomatic Adviser to the Prime Minister of the "republic" of Transkei. A few years ago Berkeley published the correspondence between the head of a non-existent public school called Selhurst and his opposite numbers at real schools.

But such speculation seems absurd. Apart from other clues, "Root" gives his address as Elm Park Mansions, Chelsea. This happens to coincide with the abode of that louche Sixties figure, the presenter of Beyond the Fringe, one William Donaldson.

Ulster tours

If one believes the International Tourism Exchange in West Berlin, Northern Ireland is turning out to be the destination for the German traveller lusting for peace and quiet. Last year some 7,000 West Germans made their way to the province, along with 18,000 other visitors from the Continent.

West German tour operators, including the prestigious ADAC automobile club, offer Northern Ireland mainly for cruising and fishing on the River Erne, which one German catalogue reassuringly notes is in a "rural area, safe from political unrest."

The Ulster tourist board opened its first and only Continental office in Frankfurt last year: since then the number of German tour operators offering trips to Northern Ireland has doubled. By contrast, one is told, "not one major tour operator in the UK has the confidence to offer our holidays."

Hello, hello, hello

Yesterday lunchtime saw the birth of a unique and exclusive club accidentally fathered, in a manner of speaking, by this newspaper. The seed was sown in a report on a study of Middle Eastern hospitals prepared by management consultant Michael John Cammington. This pro-

duced a call to the study's author from contract furnishers Druce, which has an interest in Middle East markets, and whose managing director also happens to be called Michael John Cammington. Then, just as they were growing accustomed to the coincidence of name and interest, up popped another Michael John Cammington, market research manager at Watneys in Brick Lane.

This clearly called for lunch, decided MJC 1, who hardly expected anything more than a little light relief. But over the steaks our namesakes discovered clues which promised to lead them to unearth associations even closer than they could have suspected at the outset. MJC 1 tells me MJC 3's grandpa used to run a pub in Lincolnshire—which is where MJC 1's family comes from—while MJC 2 can trace his origins to nearby Rutland.

Slighted Friend

Refreshing, at the Ladbroke appeal case in the High Court yesterday, to hear someone other than Lord Denning getting it in the neck from his legal colleagues. To be absolutely precise, it is very hard to hear Lord Widgery these days. But those of us able to follow his words raised an eyebrow or two at his barish words about the Crown Court judge, Judge Friend. "The so-called judgment of the learned judge," murmured Lord Widgery, "can hardly be said to be elegantly expressed. Indeed parts of it are barely intelligible and at best ambiguous."

However, it seems that this observation originated, not from the mild-mannered Lord Chief Justice, but from the other judge in the case, Mr. Justice Mars-Jones, who prepared the judgment. Perhaps the barb is a throw-back to his more knockabout days as a parliamentary candidate in his native Wales.

Observer

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Between backlash and revolt

THE SILENCE which greeted the pilot's announcement on the South African Airways flight from Johannesburg to Cape Town was as complete as if he was announcing plans to crash land. "For those of you who want to know the Rhodesian election results," he said, "The good Bishop has come a cropper, and won three seats. Mr. Mugabe has won an absolute majority. So enjoy your next vacation in Rhodesia."

For all the brave words that "perhaps he will be another Kenyatta after all," it is impossible to exaggerate the impact of Mr. Robert Mugabe's landslide victory on South Africa. Both strategically and psychologically, it is a shattering defeat for the white minority. As for the black majority, they see it as a massive victory, and a vindication of their long struggle for political rights.

The immediate reaction in the white community was bitter recrimination that everyone could have been so wrong. How could they have believed that Bishop Abel Muzorewa would win the election, or at least be able to form an "anti-Marxist alliance" with Mr. Joshua Nkomo and the Rhodesian whites? "Not only was the Government getting the wrong information—it was misinterpreting the information it had. Not only the Government: the rest of us were doing much the same," according to one banker. "Obviously, the wish was father to the thought."

Black reaction was the opposite. "I am on top of the world," said Dr. Ntsho Motlana, civil leader in the black township of Soweto, and a consistent critic of the Government. "The big lesson is that anybody in southern Africa who gets white patronage is finished."

Whatever the conciliatory noises being made by Mr. Mugabe, now Prime Minister,

towards his southern neighbour, there is no doubt that the South African Government and military see his victory as a serious strategic defeat. "Black Africa has now advanced to the Limpopo border," a nationalist newspaper declared. The Limpopo is now simultaneously the first and last line of defence.

The advent of the new Government in Rhodesia is regarded as a major step towards what General Magnus Malan, Chief of the South African Defence Force, sees as the "Marxist encirclement" of the Republic. Although Mr. Mugabe has promised not to set up bases on Rhodesian territory for guerrillas from South Africa, defence sources in Pretoria say they believe he will be unable to stop them from free movement to infiltrate the Republic.

General Malan's worst-case scenario is that with Rhodesia joining Mozambique and Angola as Marxist states, only Zambia and Botswana prevent a complete encirclement of South Africa and Namibia, and they would be unlikely to resist Communist takeovers for long.

Pressure

More immediately, the result in Rhodesia is likely to increase African pressure for a settlement in Namibia (South West Africa), the huge, mineral-rich and sparsely populated territory ruled by South Africa. The UN has demanded that South Africa direct pressure on the Republic, which will soon become linked with pressure for internal political change in South Africa itself.

The Rhodesian election result was announced on the very day talks began in Cape Town between the South African Government and a top UN team on efforts to achieve a settlement

in Namibia. The talks went ahead in spite of both sides admitting privately that it was hopeless to expect any advance until South Africa had had a chance to digest the Rhodesian result, and to see how it worked out in practice. Inevitably the result was to harden the South African opposition to UN-supervised elections in Namibia since they might result in a victory for the South West Africa People's Organisation (SWAPO), the nationalist movement fighting a guerrilla war against South African troops on the Namibian border.

The truth is that Mr. P. W. Botha, the South African Prime Minister, does not have a great deal of room for manoeuvre. His first reaction to the Rhodesian result was that the people of Rhodesia "will have to work it out for themselves, and live with it." He did in effect rule out intervention, unless Mr. Mugabe allowed Rhodesian territory to be used for attacks on South Africa.

In spite of its sudden economic revival on the back of the gold boom, South Africa cannot afford to get bogged down in an extended guerrilla war beyond its borders. A big increase of defence spending above the current R2bn (about £1.1bn) a year is expected in the forthcoming budget, just to pay for the apocalyptic fighting in northern Namibia, at a time when the priority should be black education and housing. Moreover, any intervention would almost certainly leave the Western powers unable to veto drastic economic sanctions being imposed by the UN before South Africa is fully prepared to cope with them.

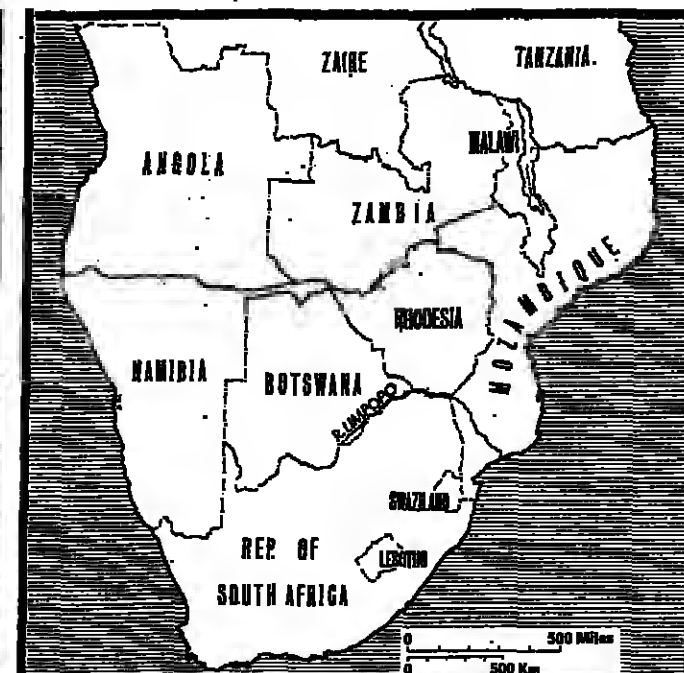
But Mr. Botha is almost equally locked in at home. It was no coincidence that the result in Rhodesia was rapidly followed by a new outburst of internecine warfare within



Mr. P. W. Botha

South Africa's ruling National Party. The confrontation between the Prime Minister, and Dr. Andries Treurnicht, leader of the party's dominant Transvaal wing and spiritual head of its hard-line conservatives, was ostensibly about whether Coloured (mixed race) schoolboys should be allowed to play rugby against white boys. But as the Johannesburg Nationalist newspaper Beeld—a fervent supporter of Mr. Botha—remarked: "The Mugabe result in Rhodesia took precisely three days to bring Nationalist politics to the edge of a split."

The outcome made acute the existing division between the Verligtes (enlightened ones) and Verkremptes (re-actionaries). The latter seized on the result as a vindication of their insistence that any concessions to black rule, however moderate, simply opened the



door for the radicals. The former, severely shaken in their belief that sympathetic black leaders such as Bishop Muzorewa could be built up to resist extremists, nevertheless seized on Mr. Mugabe's success to demand an accommodation before the black people of South Africa are radicalised.

However, wishful that thought may be—and there is considerable evidence that young blacks have stopped listening to talk of accommodation since the riots of 1976—Mr. Botha has espoused it. In a keynote speech at the weekend, he rounded on Dr. Treurnicht and his supporters (in all but name) as "politicians who think we can afford to hold a political circus while our boys are dying on the border."

He promised, in apparent defiance of rigid apartheid orthodoxy, that urban black leaders would be brought into the complex

a conference of all the races for consultation on a new constitution. And he dismissed such sacred cows of the National Party as the laws banning racially mixed marriages and sexual relations across the colour line, as unnecessary for the survival of the Afrikaner people (although he made no promise to change them).

Mr. Botha's speech was not really clear about the end he has in view. The irony is that although Mr. Botha talks continually of his "total strategy," he does not seem to have a clear perception of where that strategy leads. His professed aims are essentially negative or defensive: to resist the "Marxist onslaught," and to preserve the identity of the Afrikaner nation.

Nevertheless, Mr. Botha's strategy does imply a considerable erosion of the complex

structure of racial separation. In the first place, it seeks to win wider black support to resist the onslaught, and therefore must humanise the most unacceptable forms of racial discrimination. Second, it must gear up the economy for the struggle, and therefore streamline the unwieldy apartheid bureaucracy, particularly to improve labour mobility.

Mr. Botha has bravely put forward such ideas, even if he has not yet dared to introduce much in the way of legislation. He has tried to avoid a confrontation with his own followers by introducing reform by administrative permit and exemption.

Rhodesia could yet sway more whites to believe in the need for accommodation. The conciliatory attitude of Mr. Mugabe has produced a mild euphoria, in sharp contrast to the horror with which he was regarded only last week. But a backlash is inevitable from diehard whites. This week, matters were patched up, but few believe that the truce between Mr. Botha and Dr. Treurnicht is more than temporary.

Mr. Botha has not made very obvious inroads into black scepticism about his motives. It is not the Mixed Marriages Act which creates black suffering, but the whole system of influx control and group areas, which dictates where blacks may live and move according to the writ of white bureaucracy. Influx control is fundamental to the grand strategy of apartheid which Mr. Botha has not questioned. He has even made the system stricter, by greatly increasing fines on employers of "illegal" black workers.

Mr. Botha's Verligte supporters in the Afrikaner Press are calling for the Government to learn from Mr. Mugabe's victory by talking to the "real" black leaders now. But the

Government has just confiscated the passport of Bishop Desmond Tutu, Secretary General of the South African Council of Churches, and one of the last black leaders who advocate peaceful change and yet enjoy a measure of support.

Mr. Botha has a real problem finding any black leaders of consequence to talk to. A recent survey of urban blacks concluded that there was no one who enjoyed widespread support, although most had heard of Mr. Nelson Mandela, the former president of the banned African National Congress, who is serving a life sentence. Generally, the study concluded, urban blacks were negative, alienated and leaderless: they were opposed to the system, but had nothing clear to offer in its place.

The most urgent problem facing Mr. Botha is to head off international pressures arising from Namibia, in spite of his real fear that SWAPO might take over. Although there is considerable sympathy for his predicament from the western powers, especially Britain, and the U.S. Government is not going to whip up the issue in an election year, they may not be able to stem African pressures at the UN for ever.

Ultimately the international community's prime interest, rightly or wrongly, is in South African domestic policies. If Mr. Botha can come to an accommodation with black South Africa, he can head off the pressures. So far he has been consistent and forthright in warning his own white people of the need for accommodation and change. He has not been so clear on just what form that change should take. He is walking a knife-edge between white backlash and black revolt, between international pressure and political survival, without really knowing where he is going.

Letters to the Editor

Protectionism no solution

From the Director
British Importers Confederation
Sir—Speaking on behalf of British textile importers we are pleased to read in Mr. Smith's letter (February 29) on imports of textiles that protectionism in the clothing industry has been increasing at a rate much faster than for manufacturing industry in general. Such an increase is the only way to combat competition from overseas; it will not be done by import controls.

The practical result of restricting imports from developing countries is that the gap in Britain is being rapidly filled by imports from other developed countries. The first long-term agreement on textiles, negotiated in 1962, was designed to give manufacturers time to re-equip and to become competitive with the third world. But our position has not improved and industry calls for more and more protection.

Mr. Smith talks of "fair competition." But fair competition for whom? Certainly not for developing countries. Britain imports 10 per cent of its manufactured goods from the third world which in return buys 28 per cent of our exports.

Mr. Smith also implies that the UK was "short changed" during the last multi-fibre arrangement negotiations. But the facts would appear to indicate that it was the developing countries which were short changed. The number of products under import quota restrictions was increased from 60 to some 130 and the allowance for import growth, previously 6 per cent per year, was reduced in many important cases. For example, for India and Pakistan (where most of the world's poor live) import growth for many important items was fixed at 0.25 per cent and 4 per cent per year. The present EFTA has reserved at least 70 per cent of the EEC market for domestic producers or other developed countries.

Competition from imports can only be solved by adapting ourselves to changing patterns of trade and expanding our exports. Developing countries must be allowed to improve their standards of living which in turn will provide expanding markets.

The crux of the whole problem is that British exports have fallen dramatically. In 1950 Britain provided 25 per cent of the world's exports of manufactured goods; today the figure is 9 per cent. Protectionism will not solve this problem but will only make it worse as we withdraw from world competition. E. Ira Brown, 69 Cannon Street, E.C4.

Monitoring the public sector

From the chairman, Post Office Users' National Council
Sir—Your leading article on "Monitoring the public sector" (March 6) highlights the inadequacy of the existing means of overseeing the nationalised industries.

It is all too clear that where nationalised industries enjoy a monopoly they can achieve Government-set financial targets simply by increasing prices or reducing services. There is at present no machinery for imposing any sanctions related to efficiency and productivity, and

customers have some justification for believing that their interests go by the board.

There have recently been two substantial increases in postal charges, totalling some 40 per cent without any assurances about improvements in productivity or the quality of service. Our report recommended that part of the second round of increases should be deferred until hard evidence of such improvements was produced, but Government ignored the full increases and customers have no guarantee that Post Office management and staff will succeed in achieving the higher level of performance that is undoubtedly possible.

I await with interest the report of the Monopolies and Mergers Commission's inquiry into letter post services in London. But sporadic Government intervention in nationalised industries' affairs and occasional inquiries by the MMC are no substitute for a more searching and continuous monitoring of the industries' performance. You rightly said in your leader that the present Government is continuing the ad hoc tradition of its predecessors. After more than 30 years of experience of these vital industries, it must have been hoped that all political parties could agree upon the need for an effective means of monitoring their performance. Consumer councils have an important role to play but it is an unequal battle and Government must devise a way of ensuring that the public sector is subject to comparable sanctions which apply in the private sector.

So far as the Post Office is concerned, a start might be made in connection with the having-off of telecommunications into a separate business. POUNC has advocated the establishment of a regulatory body with powers to approve equipment to be attached to the network by subscribers and the provision of value added services; and to regulate tariffs. This is in line with the suggestion for a public utilities commission put forward in your leader. It would, I feel, engender a proper climate of competition to the benefit of the customer.

John Morgan, Waterloo Bridge House, Waterloo Road, SE1.

Return of the failed mark

From the Senior Assistant Secretary, Associated Examining Board

Sir—I refer to Michael Dixon's article "Return of the failed mark at 16-plus" (March 8) in your leader. He mentions several points concerning GCE ordinary level examinations on which it appears that he may have been misinformed.

It is not true that since the award of official grades ordinary level certificates are awarded to virtually all candidates who previously would have failed. Grades D and E are awarded for work which is not very far below the former pass standard (now grade C). Last June about one fifth of the candidates failed to gain any grade and those subjects where they did not reach the grade E standard. The proportion of unsuccessful entries was not constant and exceeded two fifths of the entry in several subjects.

Nor is it true that grade awarding is a simple statistical exercise with fixed proportions

of candidates gaining grades. Our awarders consider very carefully the demands made by question papers and the candidates' responses to those demands. Awarders know what levels of specific skills and abilities candidates must demonstrate. Reference is also made to work from past examinations in order to ensure that correct standards are maintained. Statistical evidence is available and is used but not in the way suggested by Michael Dixon.

Finally, CSE grade 2 is awarded to a candidate whose performance in the CSE examination indicates that, had he taken the GCE ordinary level course in that subject, he might reasonably have secured grade A, B or C in the ordinary level examination. It does not necessarily follow that he will have gained the knowledge or developed the skills and abilities tested in the Ordinary Level examination.

S. J. Owen, The Associated Examining Board, Wellington House, Aldershot, Hampshire.

Credit cards

From Mr. D. Stone

Sir—Mr. Simons (March 10) in his suggestion for reducing consumer credit purchases by hitting at credit cards only appears to have seen one side of the story. Undoubtedly the charge levied on retailers by the credit card companies has advantages for the retailer. For example, a local garage, following the introduction of one of the cards transferred all the monthly petrol accounts with a saving in costs that more than covered the service charge. In addition it must be worth quite a bit, especially to the small retailer to know that when he has complied with the instructions issued by the credit card companies, that the money received is guaranteed thus removing the worry caused by unpaid cheques which has not been totally eliminated by the cheque guarantee card.

If restrictions are to be introduced, why not target the big purchase companies in the same way as the clearing banks with penalties for exceeding set limits?

May I ask why Mr. Simons considers that bank staff should moderate their claims especially when comparing settlements over the past five years with the national average? David G. Stone, Braemar House, 13, Montague Road, Feltham, Surrey.

Co-operation by trade unions

From Mr. A. Beard

Sir—I was amused to read (March 10) Mr. Murray's remark that the Government can expect little co-operation from the trade union movement. This will hardly be news to anyone more than one year old, for was it not through the trade union movement's failure to co-operate with the Government that the country endured the most appalling labour troubles just 12 months ago, resulting in Labour losing the election by a resounding majority.

Mr. Murray is reported to have said that trade unionists were fed up with a system in which money was king. Is it not trade unionists who have refused an offer made by

British Steel Corporation which manifestly their members would be willing to accept and return to work? When was money not king in the trade union movement?

Mr. Murray attacked the Government for a deliberate policy of high unemployment. What utter rubbish! High unemployment in this country has come about as a direct result of trade union policies so that labour has virtually priced itself out of the market.

Mr. Murray asks the Government to work with trade unions on solving Britain's ills. May I respectfully suggest that, as a first step, the trade unions try working with management. By far the bulk of our industrial ills can be laid squarely at the doors of the trade union movement with its restrictive practices, incessant disruption and short-sighted policies dictated not by the brotherhood of men but by greed and envy.

Mercifully, however, there have been some encouraging indications recently that union members are as fed up with the undemocratic and nationally destructive tactics of their leaders as any sane person in industry must be.

A. L. Beard, Woodfield, Sparke Hill, Worksop, Notts.

Glorious and undivided

From Mr. A. Lynch

Sir—William Hall slights Trinity House in his article (March 10) on the ferry pilots dispute by saying that its full title is The Corporation of Trinity House of Deptford Strond. That, according to the words of the Merchant Shipping Act 1894, is what it is "commonly called." Its full title is "The Master, Wardens and Assistants of the Guild, Fraternity or Brotherhood of the Most Glorious and Undivided Trinity and of St. Clement in the Parish of Deptford Strond in the County of Kent"—not a body to be trifled with by such an upstart as the EEC.

A. Lynch, 129, Meols Parade, Wirral, Merseyside.

Tax allowances for commuters

From Mr. P. Rosencroft

Sir—As a commuter whose next season ticket will cost over £800, I feel qualified to comment on the proposal by Westminster Chamber of Commerce (March 7) for tax allowances of up to £400 for commuters and tax-free bonuses for "discount certificates."

The other face of the coin of tax relief to a selected group, is a subsidy by all taxpayers. Why should he who walks or bicycles to work help to pay for my long journey? Furthermore, those who commute long distances very often pay less for their accommodation for that very reason. Why should they have their cake and eat it?

More fundamentally, travelling long distances from home to work is a waste of natural resources (energy). It leads to a lack of integration between home and work life which is artificial and can be damaging, and which should certainly not be encouraged by subsidies. Felbam Ravenscroft, Oakwood Farmhouse, Near Selborne, Hants.

Today's Events

GENERAL

UK: Polling in Southend East by-election.

Construction industry pay talks resume with Transport and General Workers Union and Union of Construction, Allied Trades and Technicians.

Prince Philip tours West Midlands.

TUC women's conference continues, Brighton.

National Union of Mineworkers' executive meets.

Mr. Clive Jenkins, Association of Scientific, Technical and Managerial Staffs general secretary, speaks on prevention of occupational cancer, London.

Prince Charles visits Department of Industry, Victoria Street.

Memorial service for Mr.

Patrick Huth, former business editor and associate editor of New magazine, St. Bride's Church, Fleet Street (12.30 pm).

Overseas: Mr. Charles Haughey, Irish Prime Minister, meets Mr. Raymond Barre, French Prime Minister, Paris.

European Parliament in session, Strasbourg.

Lord Carrington, Foreign Secretary, on official visit to Romania.

PARLIAMENTARY BUSINESS

House of Commons: National Health Services (Invalid Discharge) Bill. Motions on Appropriation (Northern Ireland)

Order and County Courts (Northern Ireland) Order.

House of Lords: Education Bill, committee. Appropriation (NI) Order and County Courts (NI) Order.

Select Committees: Agriculture, Subject: Implications of the Common Agricultural Policy on milk and dairy products. Witnesses: Union of Shop Distributive and Allied Workers, Transport and General Workers' Union, National Union of Agricultural and Allied Workers.

Room 16, 11 am. Home Affairs. Sub-committee on Race Relations and Immigration. Subject: Race relations and the Sex Law. Witnesses: Commission for Racial Equality, Ruooymede Trust.

Room 15, 4.30 pm. European Legislation. Subject: Common Agricultural Policy. Witnesses: Mr. Peter Walker, Minister of Agriculture. Room 16, 4.30 pm.

COMPANY MEETINGS

Charter Trust and Agency, 20 Fenchurch Street, EC3, 2.30.

Heolys, Henly House, 385-387 Euston Road, NW, 12.

COMPANY RESULTS

Final dividends: British Petroleum, Cadbury Schweppes, T. Clarke, Ultramar, United Biscuit Holdings, Harris and Sheldoo Group, Nu-Swift Industries, Refuge Assurance, Sale Tilney and Co. Transport Development Group, Interim dividends: HTV Group.

A STEP BY STEP GUIDE TO PROFIT IN WALES.

Wales is well placed to help the company looking to expand. It's an assisted area close to the major markets of London, the South East, the Midlands and the continent. Which means that incoming and expanding industry may qualify for useful Government help.

The Welsh Development Agency has sites in many areas where you can build a factory or we may be able to provide one. We are currently building factories from 1500sq.ft. to 50,000sq.ft. Many of them allow for at least 100% expansion.

Factory rents in Wales are attractive. In some areas they could be about half what you might pay in London or the South East. You may qualify for a rent-free period.

Communications to and from Wales are good. With fast road and rail links to the major markets. London, for example, is less than two hours by train from South Wales.

Skilled labour is also readily available, much of which has experience in high technology industry.

The advantages of working and living in such a pleasant environment add up to many good business reasons why you should consider Wales. Post the coupon and we'll tell you more. Welsh Development Agency

To: Welsh Development Agency, Treforest Industrial Estate, Pontypridd, Mid Glamorgan, CF37 5UT. Tel: Treforest (044 385) 2666. Telex: 497516. Please tell me more about industrial opportunities in Wales.

Name _____

Position _____

Address _____

Postcode _____

Tel: _____

UK COMPANY NEWS

ICI curbs spending plans in face of adverse outlook

BECAUSE OF the adverse outlook capital spending proposals approved at Imperial Chemical Industries in 1979 was held at £250m below the previous year's level of £785m. However, Sir Maurice Hodgson, the chairman, said yesterday that new capital authorisations in the current year would continue at a very high level and five major plants would come on stream.

The reduction in last year's spending proposals was made because of lower forecast demand for chemicals and inadequate cash flows and real profitability. Actual capital expenditure during the 12 months, on the other hand, was up from £701m to £760m because of the higher levels approved earlier. At year end 1979, against £1,071m, had been sanctioned but remained unspent.

Sir Maurice said that though the predicted recession had not yet happened, for the UK the outlook was negative growth and he expected the chemicals business to stay "just about static."

He also expressed caution that the weaker dollar and U.S. energy prices significantly below world levels, which had already affected fibres, would be having an impact in other parts of the industry quite soon. The next to suffer could be plastics he suggested.

Overall the relative security of a substantial proportion of the group's oil requirements, the strength of its export performance and programme of plant replacement and technological improvements will enable it to cope with the uncertainties of the 1980s as well as any of its competitors, the chairman states.

But success would only go to the most efficient, so "we are continuing to seek improvements in the use of fixed and working capital energy and manpower."

The chairman says in his report that, although profits showed some recovery last year from the trough of 1978 they are still insufficient to support the group's investment needs. As reported February 29, taxable profit for 1979 was ahead of £560m (£421m) on external sales of £5,371m (£4,539m).

During the year the group increased working capital by £262m, a rise of 23 per cent, but the higher investment spending meant drawing on liquid resources. At year end net liquidity was down £250m (£157m) at £138m. Total borrowings were up at £1,390m (£1,231m).

The net dividend, as known, is being stepped up from £3,465,960 to £3,500,000.

An analysis of sales and trading profit of £655m (£504m) by activity shows: agriculture £959m (£873m); and £150m (£150m); fibres £471m (£420m); and loss £32m (£131m); general chemicals £1,035m (£895m); and £141m (£125m); industrial explosives £196m (£123m); and £13m (£22m); oil £559m (£246m); and £78m (loss £16m); organic chemicals £319m (£502m); and £7m (£121m); paint and decorative products £416m (£429m); and £30m (£241m); petrochemicals £1,076m (£873m); and £98m (£54m); pharmaceuticals £317m (£298m); and £66m (£58m); plastics £745m (£625m); and £56m (£39m); miscellaneous £115m (£88m); and £2m (£2m). Less inter-company sales £1,082m (£989m). Royalty income nil (nil) and £22m (£25m).

Total pay for ICI's 21 directors went up from £979,000 to £1,228,000 and pensions and other payments to former executive directors from £1,932,000 to £2,146,000.

HIGHLIGHTS

Lex looks at the latest figures from Turner and Newall, where a serious and unexpected second-half slump has hit the group's results, though the directors sound confident that the slide can be halted in the current year. Lex passes on to the ICI report and accounts which reveal a large increase in net borrowings as capital spending reaches its peak. BSR has taken a tumble due to the trend in sterling and a weak U.S. market for its products and pre-tax profits are down from £15.2m to £3.9m, the final dividend has been cut. Finally Woolworth produces a 7.8 per cent profit increase while volume has shown a marginal decline. On the inside pages United City Merchants comes in for comment. Two large lines of stock went through the market, Sears and LWT, and Hepworth announces a bid for J. E. Turner.

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Turner & Newall fails to recover and profits slump

THE EXPECTED second-half recovery by Turner & Newall did not materialise and this has been blamed on the weakening of home and export markets late in the year and the serious disruption caused in the UK by the national engineering strike.

Group pre-tax profits in the first six months were £18.8m against £21.3m, but there was a sharp fall in the second half when the figures were down from £18.4m to £8.7m, making the total pre-tax profit £27.5m—a drop of £12.2m from the previous year.

First-half profits were depressed by the combined effects of bad weather, the road haulage dispute and the weak demand in some key markets. The improved trend in the second quarter was not maintained. The second half also bore the revenue costs of starting up three major new plants, while production of building materials continued to be affected by the completion of restructuring at TAC. All these factors resulted in UK trading profit for the year falling £7.4m to £17.9m.

In contrast, however, the European and overseas subsidiaries of this plastics, automotive components and chemicals and construction materials group improved their trading

profit from £23.8m to £24.6m, although profit margins in the second half were lower than those earned in the first six months. Group trading profit, less expenses, amounted to £38.2m for the year against £44.5m. Interest charges were £5.6m higher at £1.1m.

Group sales were up from £618.9m to £676m and of this total UK operations contributed £421.8m (£393.5m). European sales were up from £58.5m to £74.5m with trading profit £3.5m (£2.6m), and other overseas sales were £179.7m (£166.6m) with trading profit up fractionally from £21m to £21.1m.

A divisional breakdown of sales and profits shows: plastics and industrial materials £241.7m (£215.2m) and £12.2m (£12.5m); automotive components £182.6m (£164.7m) and £11.3m (£14.5m); chemicals £35.5m (£33.8m) and £2.8m (£2.8m); construction materials £138.3m (£137.1m) and £8.2m (£9m); and mining £53.9m

leasing income to profit and loss in proportion in outstanding rentals, income is now related to funds invested. This has had the effect of boosting profits by about £2m. The 1978 figures have been adjusted in match.

The bulk of the leasing business also attracts capital allowances which are reflected in the tax credit of £21.1m.

Weeks Assoc. sees higher profit at RAP

Rabher and Allied Products, acquired by Weeks Associates last year, produced pre-tax profits of £371,082 in the 12 months to October 31, 1979—£46,052 above the warranted profits at the time of the acquisition last May.

Weeks Associates has now paid five times this excess, completing full settlement of the purchase price of £1,73m. Weeks Associates' annual figures for the year ending January 27, 1980 will include consolidation of RAP results in that date.

Taxable profits for RAP in 1978 were £274,770 on turnover of £2,23m. The surplus this time represents an increase in profit of 35 per cent on turnover of £2,68m.

As forecast, the total dividend is lifted to 7p (8.925p) net with a final of 6.725p.

Tax takes £139,748 (£164,491) and after distribution, including preference shares, of £214,433 (£118,577), the retained surplus emerges at £555,738 (£249,900).

In the current year, directors say that the order book is not unsatisfactory and, given reasonable support from major customers.

Spain

March 12

Price

+ or -

March 12

Price

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DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corre- Total	Total
Britannic Assur. Co.	7.35	May 1	5.70	13.05
BSR	1.41	May 23	3.92	5.33
Lambert Howarth	2.91	May 12	2.5	4.06
Maynards	1.88	May 1	1.69	7.5
Monfort	5.73	—	2.84	7.5
Turner & Newall	4	May 15	2.96	4.2
UCM	0.6	July 3	7	11.5
H. Woodward	1.7	—	1.56	2.2
F. W. Woolworth	3.57	—	3.25	4.92

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

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UCM tops £2m in first half

From increased turnover of £106.6m against £78.42m, profits before tax of United City Merchants rose from £1.97m to £2.05m in the first half year ended December 31, 1979.

The directors are effectively lifting the interim dividend from 0.39375p to 0.6p—the previous total was equal to 1.594875p from pre-tax profits of £3.37m.

First half profit is after convertible loan interest of £38,000 (£59,000). After UK and overseas tax of £1.05m (£1.01m) and £.000 (£51,000) minorities the available profit is £226,000 compared with £916,000.

First half profits of Pharaoh Game and Co., a member of the UCM timber division, rose from £269,000 to £379,000 before tax of £190,000 (£140,000). Turnover improved from £33.85m to £56.06m.

On the leather manufacturing side, Stimpson-Perkins reports pre-tax profits down from £267,000 to £195,000 although turnover was better at £4.11m against £3.59m in the same period last year.

Net profits were £106,000 (£124,000). The directors say the reduced profits were due to a change in the accounting basis for depreciation.

However, results are considered satisfactory having regard to adverse trading conditions in the first half and the squeeze on profit margins throughout the industry.

comment

Pre-tax margins at United City Merchants are down half a point to 1.95 per cent against last year's halfway stage. The main reason is higher overheads. Wage and fuel costs hit profits at leather makers Stimpson-Perkins, where output prices are restrained by keen competition among the principal customers, footwear makers.

The boost to group turnover is largely thanks to the Pharaoh Game timber merchants, where prices have risen some 20 per cent. But UCM is experiencing worsening terms of trade, with late-paying customers forcing involuntary and costly stocking. If the second half profits show a similar relationship to last year's, the indications are for a full-year turnover of around £3.3m pre-tax. On that basis, the fully-taxed prospective p/e is 6.7. A comparable increase in the full-year dividend total indicates a yield of around 13 per cent at 30p.

effect this increase an extraordinary general meeting is being convened for 10 am on March 31.

Aran says that during 1980 and 1981 two wells will be drilled in Block 26/28 and one well in either Block 26/24 or 26/25. The share of the costs of these wells will be approximately £183,2m.

Lifting Aran's stake in Blocks 26/22, 26/28 and 12/22 from 11.14 per cent to 16.67 per cent will cost £181.4m. Last September BP discovered oil in the 26/25-1 well. Shares in Aran Energy fell 1p to 394p following the rights issue news.

OYEZ DISPOSAL

Oyez Business Machines, part of the Oyez group, has transferred its interests in office equipment to two specialist organisations already firmly established in this field.

With effect March 1, 1980, Oyez Business Machines transferred its office products sales and servicing, and certain aspects of its copier servicing operations, to the Office International Group. At the same time, the company transferred its Lumoprint trade sales and servicing operations to Caribonum.

At this stage there is some doubt as to whether the proposed ordinary resolution will be put. Mr. Campbell and Mercantile's chairman Mr. Gerry Jamieson have been involved in discussions which could still lead to some sort of compromise.

Mr. Campbell emphasised that he now agrees with Mr. Jamieson's contention at last year's annual meeting that utilisation is an impracticable solution. "I realise that there are a lot of prior charges and unmarketable securities which may make this difficult to achieve. But I still believe that the discount won't go away and that the board will have to find another answer."

Mr. Jamieson said yesterday that it was the directors' duty to run the company as efficiently as they could. "If the shareholders are not happy they must take action."

Mr. Campbell revealed, however, that in his statement in the annual report later this month he will be discussing three or four options which could help reduce the discount.

He added: "There is nothing which we have looked at yet which appears to us sufficiently to give us cause for optimism."

Mercantile's share price has been moving up steadily in anticipation of next month's meeting. The price touched 60p earlier in the week, but was standing at 49p yesterday where it stands on a below average discount of around 22 per cent.

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Mr. Campbell emphasised that he now agrees with Mr. Jamieson's contention at last year's annual meeting that utilisation is an impracticable solution. "I realise that there are a lot of prior charges and unmarketable securities which may make this difficult to achieve. But I still believe that the discount won't go away and that the board will have to find another answer."

Mr. Jamieson said yesterday that it was the directors' duty to run the company as efficiently as they could. "If the shareholders are not happy they must take action."

Mr. Campbell revealed, however, that in his statement in the annual report later this month he will be discussing three or four options which could help reduce the discount.

He added: "There is nothing which we have looked at yet which appears to us sufficiently to give us cause for optimism."

Mercantile's share price has been moving up steadily in anticipation of next month's meeting. The price touched 60p earlier in the week, but was standing at 49p yesterday where it stands on a below average discount of around 22 per cent.

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Companies and Markets

UK COMPANY NEWS

BIDS AND DEALS

J. Hepworth offers £9m for W. & E. Turner

J. Hepworth, the men's clothing group, yesterday revealed itself as the bidder for Leicester shoe, hosiery and handbag retailer W. & E. Turner with an agreed cash bid worth just over £9m.

Hepworth is offering £74p a share compared with Monday's suspension price of 48p and the terms have been accepted by Turner directors, their families, and other shareholders for 52.1 per cent of the shares.

Turner also released its figures for last year, showing a rise in pre-tax profits from £1.37m to £1.68m on a turnover increase from £12.55m to £16.01m.

After tax, Turner's profits totalled £754,000 against £621,000, before an extraordinary debit of £48,000 (£208,000), chiefly representing property sales. Retained profits were £717,000 (£533,000) or 7.2p (5.2p) per share (7.2p (5.2p) after tax and 12.2p (13.2p) before.

Hepworth said it intends to continue its operation along its present lines. Turner's managing director, Mr. Trevor Morgan, said the proposed merger had to be seen in the context of the changing nature of the retail trade.

"I believe that the future of the retail trade lies with those companies who have activities in different sectors," he commented. Turner was very small in comparison with the large High Street groups, of which some, like Burton's, now had their own shoe departments.

Hepworth's shares dipped 4p yesterday to close at 66p. For those Turner shareholders who do not want cash, Hepworth is making 3.45p in shares available instead of any multiple of 7p of the cash to which they would be entitled. Hepworth is being advised by Kleinwort, Benson and Turner by County Bank.

NO PROBES

The following mergers are not to be referred to the Monopolies and Mergers Commission.

Burns, Philp company/ S. Hoffmann and company; City and Continental Property Group/ The Australind Steam Shipping Company; Furness Withy and

Airfix sells footwear business

Airfix Industries is disposing of its loss-making footwear subsidiary for a nominal sum.

The company, Airfix Footwear, which incurred a loss of £305,000 for the year ended March 3, 1979, is being sold to a consortium formed by Mr. M. Blinn, Sir Aubrey Brocklebank, Mr. R. de Keyser and Dr. M. Sinclair. They intend that the company will continue as a footwear manufacturer.

\$4.9m Belize disposal by International Timber

J. Gliksten and Son, a wholly owned subsidiary of International Timber Corporation, has sold its subsidiary Belize Estate and Produce Company, operating in Belize, Central America.

The buyer is Minister Naval Stores (Belize), owned by W. F. Belote of Georgia U.S., and the consideration is U.S.\$4.9m of which \$1m has been received, with the balance payable over five years with interest at 8 per cent per annum.

The sale is based on the balance sheet of the company on March 31, 1979 and a further amount will be payable relating to the increase in the value of the company at March 29, 1980. In the last financial year turnover amounted to £2.52m and taxable profits totalled £330,000.

In certain circumstances Minter may elect at any time to transfer the whole of the then issued capital of BEC to Gliksten, on condition that the company is

essentially unchanged from the date of sale, in consideration of a waiver of the outstanding instalments of the purchase price and without recovery of any of the instalments already paid at the date of transfer.

Belize Estate owns about 70,000 acres of forest land in Belize. The company produces and exports hardwood lumber and acts as agent for a number of UK based companies, including Johnny Walker whisky, Alliance Assurance, Lloyds of London, shipping lines including T. & J. Harrison, and Ford Motor Company.

ESCOMBE TAKES ON PECKSTON BUSINESS

THE Escombe Group, part of F & O, has taken over the ship agency and forwarding business previously carried on by the Middlesbrough-based Peckston Group, which has recently gone into receivership.

Escombe, one of the biggest ship agency businesses in the UK, aims to strengthen the Peckston operations, which will trade under the name Escombe McGrath and Co.

Escombe accepts no liability whatsoever for any trading of Peckston Group, Peckston Shipping and T. Bulmer, or any other companies in the Peckston Group.

Both companies manufacture heat exchangers, vessels and other components from corrosion resistant metals such as titanium, tantalum, molybdenum, tungsten and zirconium.

The companies are operating in an expanding market, the largest portion of which is in the U.S., so that the acquisition of RWF will give the group a foothold in this market.

TRICENTROL PAYS IN SHARES

Tricentrol has elected to provide for £70,000 of the payment due to Opanan International (UK) in respect of its royalty interest in Tricentrol's share of production from the Thistle Field for the three-month period to February 29, 1980 by the issue of 23,340 ordinary shares in Tricentrol.

Arrangements have been made for these shares to be placed in order to provide the cash payment due.

W. GOODKIND

The purchase by W. Goodkind and Sons of the long leasehold interest in Denton Park Shopping Centre, Newcastle-upon-Tyne, for £700,000, has been completed, and the 953,000 new Goodkind 10p shares have been allotted to the vendors.

The purchase and an increase in the authorised capital from £250,000 to £400,000 were both approved at an EGM on March 7. Dealings in the new shares start today.

FURNESS WITHY

Mr. Frank Narby, the shipping entrepreneur through his family investment vehicle Dolphin Investments, has again increased his holding in Furness, Withy, the British shipping group. The holding now stands at 11.52 per cent following the purchase of 261,250 shares at 37p and 18,750 shares at 37.2p.

Helix Investments, essentially the interests of the Webbs family of Canada which has reached an informal agreement to act together over purchases and disposals of Furness shares, has bought 83,370 shares at 37p and 6,250 at 37.2p making its holding 1.05m shares (3.2 per cent).

Oriental Overseas Containers (Holdings), the Hongkong shipping group holding for Furness, has not yet dispatched the offer document for the £96.5m bid which it has announced.

Under the City Code on Takeovers and Mergers the offer document should normally be posted within 28 days of announcement of the terms of the offer. Oriental's offer was made on February 13, but the 28-day rule is not imposed rigidly by the Panel and a little latitude on the posting date is allowed.

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News Intl. sells LWT 'A' shares

News International, which publishes the News of the World and the Sun, has sold its 25.13 per cent holding of "A" non-voting shares in LWT Holdings, the London Weekend Television franchise holder, at a profit of £3.95m over book value.

News announced yesterday that it had sold its holding of 4,053,283 shares for £4.54m. This is equal to just over 119p per share, which compares with a market price on Tuesday, the day the shares were sold, of 130p. Yesterday the shares fell by 15p.

The share placing was done through Casenove and Company and it is understood that the shares went to a wide range of institutions.

News—which is retaining its 11.77 per cent of this ordinary voting capital of LWT—said yesterday that the "sale did not reflect any lack of confidence in the company's ability to obtain the renewal of its franchise."

The other holders of the voting capital are: Oriole Bank for the Daily Telegraph 11.01 per cent, ITC Pension Trust 11.77 per cent, London Co-operative Society 4.97 per cent, Strand Nominees for Observer Partners 11 per cent, Pearl Assurance 11.77 per cent, and Samuel Montagu (Finance) 5.84 per cent.

In 1978-79 the group profit before tax showed an improvement from £6.5m to £6.92m but in the current year the effects of the ITV strike is expected to hit profits very hard.

AUSTIN REED

Austin Reed Group has acquired Fogg and Ellis, the Newcastle-upon-Tyne men's outfitters, for a sum not exceeding 1 per cent of the net tangible

assets of Reed.

The acquisition of Fogg and Ellis, which is to continue to trade under its own name, brings the total number of retail outlets in the Austin Reed Group to 51.

Sears share placings

A total of 24m shares in Sears Holdings have been placed through the stock market in the last two days with about 50 institutions. The shares—representing some 2.7 per cent of the total Sears equity—were placed in two separate operations, at below market price.

On Tuesday Carr Seabag placed 4m shares with 20 institutions. These were believed to be part of the Cloré family interests.

Yesterday Casenove & Co placed 20m shares with some 30 institutions. The source was not identified.

The shares were placed at around 37p to 37.1p which compared with an unchanged share price of 38p in the market on Tuesday. Yesterday the price closed 11p lower.

Mr. Leonard Salner, chairman of Sears, expressed surprise at yesterday's transaction. He said he knew there were a few holders with that amount of shares but he could not identify them.

B & H SELLS CRAKE

The board of Burnett and Hallamshire Holdings has agreed to sell Crake Seal Opencoat to Mr. W. Stonebank, a director of Crake, for £558,333 cash, reduced by a payment of £123,333 in respect of deferred consideration.

Midway boost for Maynards

INCLUDING AN exceptional credit of £497,000, against £28,000, taxable profits of Maynards, confectioner, improved from £1.21m to £1.65m for the 26 weeks ended December 31, 1979. External sales, excluding VAT, increased by 11 per cent from £21.68m to £24.15m.

Mr. H. Peter Salmon, chairman, says although sales for the current quarter are ahead of last year, they are not as buoyant as anticipated and industrial unrest in the country has adversely affected retail sales.

He adds, however, that having modernised its factories and opened two new distribution centres for the retailing operations, the group is well poised to take advantage of any upturn in this sector.

Treasury profits for the six months was little change at £1.59m (£1.37m), depreciation amounted to £236,000 (£196,000) and the pre-tax figure was boosted by the exceptional items—mainly the profit on the sale of leaseback of the group's Worthing shop, less goodwill of businesses purchased.

The interim dividend is 1.875p (1.694p) net per 25p share, which will absorb £91,418—last year's final payment was 5.806p from pre-tax profits of £1.36m.

Net profit for the half-year came out at £1.32m, compared with £1.12m, after tax of £237,000 (£91,000).

On the manufacturing side Mr. Salmon says that improved packaging and marketing more than maintained group share "of a very competitive market." With record production levels at the factories, prospects for increased profits are encouraging, once demand for confectionery recovers, he states.

Higher operating costs coupled with even more intensive

price cutting by competitors adversely affected profits, on the retailing side, but the group is continuing its expansion and modernisation programme, "which in due course should contribute additional profits," the chairman says.

Toy retailing achieved a satisfactory increase in sales and profits.

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Lambert Howarth well ahead

RECORD RESULTS for 1979 are reported by Lambert Howarth Group, a substantial supplier of footwear to Marks and Spencer. Pre-tax profits for the year were up from £244,562 to £724,479 on increased turnover of £15.02m against £14.11m.

First-half profits had risen from £141,349 to £198,145 and the directors said that the order book for the rest of the year showed an improvement over 1978—however, there was increasing competition from imported footwear and increasing production costs.

Tax charge at the year end is £246,440 (£226,501) giving earnings per share of 12.8p against 10.5p. The final dividend is 2.91p raising the total from 3.5p to 4.06p.

CONFIDENT THAT first half results would show a reasonable increase, despite the first few weeks of the second quarter being somewhat flat, the chairman of Bakers Household Stores (Leeds) told the annual meeting that the Board hoped to at least maintain dividend payments on increased capital.

The company's cash deposits had grown to around the £1m mark. The Board was fully aware of the requirement to invest such monies, to ensure future growth and was continually investigating suitable opportunities to increase the number of stores.

It was also considering, very closely, possible acquisitions.

ASSOCIATE DEAL Hill Samuel Investment Management, as associates of Racial Electronics, has on behalf of discretionary investment clients bought 21,750 Racial at 210p.

Tax took £534,000 (£471,000) after which earnings are shown as 14.2p (12.7p) per 25p share. The dividend total is lifted to 4.822p (3.7763p) net with a final payment of 4p.

Turnover for the year rose by 5.2m to £29.6m and profits were struck after interest of £225,000, compared with £187,000, and included associates of £120,000 (£105,000).

Despite a fall from £381,000 to £178,000 at halfway, Thomas Robinson and Son, engineer and machine maker, finished 1979 with taxable profits just ahead at £1.2m, against £1.1m.

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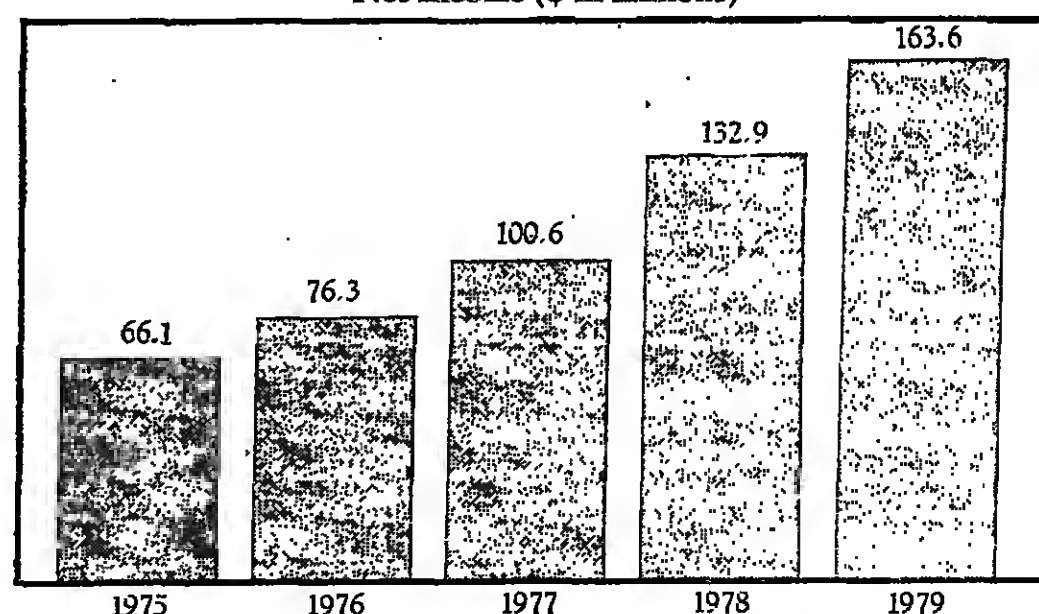
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Security Pacific keeps on growing.

Net Income (\$ in millions)



Security Pacific Corporation Financial Highlights

AS OF DECEMBER 31, 1979			
	1978	1979	Increase
Assets	\$21,633,000,000	\$24,900,000,000	15%
Deposits	\$16,968,000,000	\$18,500,000,000	9%
Loans	\$14,208,000,000	\$16,300,000,000	15%

Security Pacific Corporation is the holding company for Security Pacific National Bank, tenth largest in the U.S. We are headquartered in Los Angeles, the most dynamic market in the United States and a principal Pacific Rim trading center.

Our international banking group serves over 75 countries through 35 branches and offices in Europe, the Middle East, the Far East, Australia and Latin America.

TIGER OATS AND NATIONAL MILLING COMPANY, LIMITED

(Incorporated in the Republic of South Africa)

STATEMENT OF RESULTS AND DIVIDEND ANNOUNCEMENT

The unaudited results of the Group for the year ended 31st December, 1979, are as follows:

	1979 Unaudited R000s	1978 Audited R000s
GROUP TURNOVER	913 000	777 000
Group Trading Profit, before taxation	80 884	55 179
Taxation	20 974	19 739
	39 910	35 040
Outside Shareholders' Interests in Trading Profits of Subsidiaries	7 315	7 357
Preference Dividends	32 585	28 683
	3 344	3 371
TOTAL GROUP EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	39 231	25 412
Number of Ordinary shares in issue	11 170 232	11 189 133
Earnings—cents per share	262	228

The above figures do not embrace the operations of associated companies except to the extent of dividends received during the year ended 31st December, 1979, and which are included in group earnings. If the undistributed profits in respect of the financial years of these associated companies in which at least 30% of the equity share capital is held, are taken into account, the above group earnings in respect of the year under review would amount to 321 cents per ordinary share (1978—269 cents).

NOTES:

- The group turnover of 913 000 000 for the year under review represents an increase of 17.5 per cent over the figure of 777 000 000 for 1978, stated above, and excludes turnover of associated companies amounting to approximately 985 000 000.
- Commitments for capital expenditure at 31st December, 1979, amounted to approximately 6 000 000 which will be financed from the group's resources.
- The above results include, for the first time, the consolidated profits of Sea Products (S.W.A.) Limited, as a result of a subsidiary having increased its holding in the equity of that company to slightly in excess of 50%. The 1978 comparative figures have been re-stated accordingly.
- During the year under review the company acquired:
 - The entire issued share capital of:
 - Bremer Mills (Pty) Limited, a group operating wheat and maize mills in Hennepon, in the Orange Free State, and numerous bakeries throughout the Republic;
 - Bakoven (P.E.) (Pty) Limited.
 - The remaining 25% and 50% of the issued share capitals of Sbillings Minerals (Pty) Limited and Cradock Bakery (Pty) Limited, respectively, which together with the existing shareholdings, makes those companies wholly-owned subsidiaries.
 - 50% of the issued share capital of Lesotho Milling Company (Pty) Limited. At the same time the said company acquired the entire issued share capital of Maseru Roller Mills (Pty) Limited—formerly a subsidiary in the Tiger Oats Group.
- Trading conditions remain satisfactory and, in the absence of unforeseen circumstances, it is anticipated that this state of affairs will be maintained during the six months ending 30th June, 1980.

On behalf of the Board,
R. L. Frankel
D. O. Beckingham | Directors

DECLARATION OF FINAL ORDINARY DIVIDEND NO. 70

Notice is hereby given that a final dividend, No. 70, of 38 (thirty-eight) cents per share, in respect of the year ended 31st December, 1979, has been declared payable to shareholders registered in the books of the company at the close of business on the 3rd day of April, 1980.

This dividend, together with the interim dividend of 28 (twenty-eight) cents per share, declared on the 21st August, 1979, makes a total distribution for the year of 66 (sixty-six) cents per share (1978: 58 cents).

The dividend is declared in the currency of the Republic of South Africa and warrants in payment thereof will be posted to shareholders, by the company's transfer secretaries in South Africa and in the United Kingdom, on or about the 8th May, 1980.

The transfer books and registers of members will be closed from the 4th April to the 18th April, 1980, both days inclusive.

The effective rate of non-resident shareholders' tax is 15%.

By order of the Board,
H. Yudelowitz
Secretary

Transfer Secretaries:
Consolidated Share Registrars Limited,
"Libertax", 62 Marshall Street,
Johannesburg 2001,
(P.O. Box 61051), Marshalltown,
2107, T.V.L.

Charter Consolidated Limited,
P.O. Box 102, Charter House,
Park Street, Bedford,
Kent TN24 8EQ.

Registered Office:
15th Floor,
Wesbank House,
222 Smit Street,
Johannesburg 2001.
London Office:
40, Holborn Viaduct,
EC1P 1AJ.

12th March, 1980.

Companies and Markets

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are in prospect or final and the subdivisions shown below are based mainly on last year's timetable.

TODAY	
Interim—Concoron Syndicates, Falcon Mines, H.T.V., Harmony Gold Mining	Mar. 18
Final—Anglo American Industrial Corporation, Anglo-American Investment Trust, Anglo-Patroleum, Anglo-Swedish, T. Clark, East Lancashire Paper, Harris and Sheldon, Nu-Swift Industries, Reliance Assurance, Sole Traders, Transcon Development, Ultramar	Mar. 19
FUTURE DATES	
Casual (S.), London Scottish Finance, Walker (James) Goldsmith and Silvermine	Mar. 20
Walcley-Hughes	Mar. 21
Finals	Mar. 22
Carlson Industries, Investment Trust, Higgs and Hill, Lay Service, Lloyds (F. J. C.), Lloyds (F. J. C.)	Mar. 23
Liverpool Daily Post and Echo, North British Canadian Investment, Philips Lamp, Rotor, Spirax-Sarco, Tincin	Mar. 24
T. Amended.	Mar. 25

G. Armitage pick up in second half

SECOND-HALF profits of George Armitage and Sons showed some recovery after the 28 per cent fall midway, and the 1979 profit finished with the pre-tax plus of 15.7 per cent, lower at £1.37m, against £1.52m.

Turnover of the unquoted brick manufacturer increased by 4 per cent to £1.1m. Mr. Geoffrey Armitage, chairman, says increased competition following the long winter, reduced profit margins and lower stock profits were the reasons for the decline.

Trading prospects for 1980 are bleak, he adds. The construction industry has forecast a 5 per cent downturn, and there is the possibility of brick sales falling by at least 7 per cent. However, he believes the group has the ability to maintain profits at the enhanced levels of the last two years.

Earnings per share are up from 42.4p to 56.9p. The net total dividend is held at 7.5p, as forecast, with a final of 5p.

Additional liquid funds, together with higher interest rates, pushed up interest to 13.75% (24.13%). Cash resources at the year-end amounted to £1.68m (£1.37m) but, the chairman says, the company has since had to meet a substantial corporation tax liability of £874,249 relating to 1979 profits.

On a CCA basis, pre-tax profits of the group, which has "close" status, were reduced to £875,000 (£1.21m).

Leyland Motor Corp. of Australia, wholly-owned by BL, boosted its profits by 61 per cent from A\$2.9m to A\$4.6m in 1979 despite a 4.2 per cent dip in sales to A\$178m.

Mr. Ron Hancock, the managing director, says the result was a tribute to Leyland's efficiency, due largely to restructuring undertaken in 1974 and completed last year, and the company's product range.

Mr. Hancock says the company has achieved a profit increase in the face of a very sluggish motor vehicle market. Leyland's performance revealed a growth pattern which compared favourably with the recent experience of other motor manufacturers.

Earlier this week Chrysler Australia revealed a A\$33m turnaround, to profits of A\$12.3m, and declared its first dividend since starting Australian operations in 1951.

Leyland's profit represents 11.4 per cent on net assets employed. Total revenue has been severely restricted by initial delays in launching the new Jaguar-Daimler range.

Shipments to Australia from the UK were suspended for nine months pending the commissioning of a new paint plant at Castle Bromwich.

For the second successive year every division ended a profit. With much-improved industrial relations in the parent company, continuity of supply was not the problem it was in the past.

Fertileman receivers
MR. GUY PARSONS and Mr. William Ratford, partners in chartered accountants Peat, Marwick, Mitchell and Co., London, have been appointed joint receivers of B. Fertileman and Sons, and its subsidiaries.

The receivers say they are continuing the group's furniture manufacturing business while they undertake an urgent review of its viability.

Mr. John Ridings and Mr. Tony Richmond of Peat, Marwick, Mitchell have been appointed joint receivers and managers of textile manufacturer James Watkinson and Sons.

They say the company will continue to trade while its future viability is assessed.

IN BRIEF
IOC GROUP (Industrial, commercial business)—Results for October 31, 1979, year reported January 30, in full preliminary statement with prospects. Net current assets £12.3m (£12.5m). Total assets £3.5m (£3.5m). Chairman's remuneration £53,124 (£52,321). Meeting—London—April 3, 11.30 am.

LONDON AND LONDON INVESTMENT TRUST—Results for 1979 reported February 27. Investments £22.6m (£22.7m), including market value of UK listed shares £15.7m. Net current liabilities £25,706 (£25,472). Meeting—2, St. Mary Ave, EC, April 1, noon.

UK COMPANY NEWS

BSR profits slump by over £11m to £3.9m

FOLLOWING the midway slump from £10.15m to £2.55m and an expectation of substantially lower profits for 1979-80, BSR, the sound reproduction and consumer products group, reports pre-tax profits of £3.88m in the year ended January 5, 1980 against £15.17m in the previous year.

Although helped by a much lower tax charge of £581,000 against £9.22m, the group incurred exchange losses of £4.23m (£2.88m) and £1.48m (£158,000) closure costs producing a net loss of £2.36m compared with a £5.91m profit in 1978-79.

Stated earnings per share before extraordinary items are 3.7p against 10.0p, and in view of the results the directors are recommending a final dividend of 1.4128p cutting the year's total from 6.329p to 2.8258p.

Group turnover amounted to £156.27m against £159.78m of which the sound reproduction division contributed £101.22m (£108.47m) with the balance of £55.05m (£51.31m) from consumer products. The share of trading profits—£7.83m (£15.42m)—from sound reproduction was £5.93m (£12.3m) with consumer products contributing £1.90m (£3.12m).

Sound reproduction sales in unit volume were much lower than in the previous year with a marked shortfall in North America, but all other major markets were ahead, the directors say.

Although consumer products turnover shows an increase over the previous year, sales were adversely affected by the engineering dispute. The Bulpitt and Gohlin groups improved their sales but the downward trend in Judge International sales in re-

Sales for the first two months for consumer products show an improvement over last year but, should the forecast slowdown in the UK economy actually happen, it is doubtful if this trend will continue for the remainder of the year.

Over the past months action has been taken to reduce costs

both direct and indirect and this will be a continuing programme throughout the group as will be the development of new products to maintain market position, the directors state.

See Lex

A revaluation of land and buildings showed an increase of £5.81m over book value and has been included in capital reserve at the year-end. However, goodwill of £2.64m arising from the purchase of DBX Inc. has been written off against capital reserves.

External sales 1979-80 1978-79
Trading profit 7,821 15,421
Interest paid 3,805 218
Profit before tax 3,882 15,177
Tax 931 8,218
Net profit 2,951 6,959
Exchange losses 4,232 2,884
Closure costs 1,429 158
Loss 2,368 15,911
Minorities 22 5
Dividends 2,520 4,748
Retained profits 3,882 58,102

* £1.18m charge less £585,000 release of deferred tax for permanent stock relief.

As regards the current trading position, until sales of the sound reproduction division are slightly lower than those for the comparable period in 1979, however, sales of record changers in the U.S. are running ahead of last year while the demand for DBX and X-10 products is encouraging.

Consolidated Statement at 31st December, 1979

ASSETS

Cash and Due from Banks	\$1,073,061,000
Time Deposits with Banks	781,407,000
Funds Sold	481,045,000
Investment Securities	1,442,438,000
Loans	\$4,940,337,000
Less: Allowance for possible loan losses	51,440,000
Banking Premises and Equipment	133,771,000
Other Assets	458,881,000
Total Assets	\$9,259,500,000

LIABILITIES AND STOCKHOLDER'S EQUITY

Demand Deposits	\$2,985,247,000
Time Deposits	3,211,957,000
Foreign Branch Deposits	1,049,122,000
Total Deposits	\$7,226,326,000
Funds Purchased	816,091,000
Other Liabilities	671,810,000
8½% Debentures due 1985	50,000,000
Total Liabilities	\$8,764,227,000

STOCKHOLDER'S EQUITY

Preferred Stock	\$600,000
Common Stock	56,055,000
Class B Stock	1,797,000
Surplus	142,418,000
Retained Earnings	294,403,000
Total Stockholder's Equity	\$495,273,000
Total Liabilities and Stockholder's Equity	\$9,259,500,000

NET INCOME FOR 1979

WAS \$82,380,000, AN INCREASE OF 28% OVER 1978.

London Branch, 44 Moorgate EC2R 6AY.
Tel: 01-638 8021. Telex 884851.

KEITH D. OLDFIELD
Vice President and General Manager.

Offices: Houston, London, Nassau, New York, Mexico City, Tokyo, Denver, Sao Paulo, Bahrain, Caracas, and Hong Kong.

Rank looks for steady progress

MR. HARRY SMITH, chairman of the Rank Organisation, told the annual meeting yesterday that he was confident the group would perform well in the current year in the light of the prevailing conditions. However, he warned that the group's ability to achieve forecast profits must depend on economic trends experienced.

Once conditions became more normal, particularly regarding inflation and interest, the company was well prepared to achieve a rapid improvement in both group profits and the return on investments. Nevertheless, he foresaw a steadily rising trend in profitability over the next four years.

The chairman reported that in Australia, Rank Industries was now trading profitably and the management of that company was confident of meeting the budgeted profit for the year.

Referring to the steel strike Mr. Smith said that the group did not use much steel and its factories had been operating without any serious disruption.

Revenue up at City & Commercial

Net revenue of City and Commercial Investment Trust improved from £479,722 to £596,235 in the year ended January 31, 1980 and directors are lifting the total dividend from 2.03p to 2.53p with a 1.27p final.

The year's revenue is after all charges and tax of £297,820 (£265,530). Net asset value per capital stock amounted to 220p (213p).

Texas Commerce Bancshares, Inc.

PARENT COMPANY OF

TEXAS COMMERCE BANK

HOUSTON, TEXAS

Incorporated with Limited Liability in the U.S.A.



Board of Directors

HERBERT ALLEN, Director & Consultant, Cameron Iron Works, Inc.
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MRS. LYNDON B. JOHNSON, Investments
BARBARA JORDAN, Professor, The LBJ School of Public Affairs, The University of Texas
WILLIAM H. LANE, President, Riviana Foods, Inc.
HENRY F. LEMIEUX, Chairman, Raymond International, Inc.
BEN F. LOVE, Chairman and CEO, Texas Commerce Bancshares, Inc.
JOHN P. McCABE, Group Vice President, Natural Resources, Getty Oil Company
THOMAS B. McCADE, Vice Chairman, Texas Commerce Bancshares, Inc.
W. A. MONCRIEF, Jr., Oil & Gas Producer
ROBERT MOSBACHER, Oil & Gas Producer
W. D. NOEL, President, El Paso Products Company
WILLIAM W. PHILLIPS, Jr., Chairman, American National Bank of Beaumont
T. BOONE PICKENS, Jr., President and Chairman, Hess Petroleum Company
LAWRENCE G. RAWL, Executive Vice President, Esso Europe, Inc.
KENNETH W. REESE, Executive Vice President, Tenneco, Inc.
CHARLES SAPP, Partner, Liddell, Sapp, Zivley & Brown
ROBERT R. SHELTON, Petroleum and Ranching
HARRY K. SMITH, Chairman, Big Three Industries, Inc.
EDWARD B. WALKER, III, Executive Vice President, Gulf Oil Corporation
JOHN E. WHITMORE, Senior Chairman, Texas Commerce Bancshares, Inc.
C. HOWARD WILSON, Jr., President, Arlington Bank & Trust

WOOLWORTH

Annual Results

Year ended 31 January 1980

	Year Ended 31 January 1980 £000s	1979 £000s
TURNOVER (including value added tax)	977,995	875,165
Deduct: Value added tax	(89,847)	(51,793)
TURNOVER (excluding value added tax)	888,148	823,392
TRADING PROFIT	74,244	64,474
Deduct: Depreciation	(10,295)	(8,475)
Interest paid less received	(9,208)	(4,834)
Add: Rent income	1,693	1,442
Surplus on property disposals, excluding sale and leasebacks	819	497
PROFIT BEFORE TAXATION	57,253	53,104
Taxation	(15,708)	(12,584)
PROFIT AFTER TAXATION	41,545	40,520
Deduct: Foreign currency differences	(754)	(357)
Add: Extraordinary items	—	(781)
PROFIT FOR YEAR	40,791	39,382
EARNINGS per Ordinary Stock Unit of 25p	10.99p	10.72p

- Due to the considerable rise in the standard rate of Value Added Tax with effect from 23 June 1979, any comparison of turnover is best made on an ex-VAT basis. Turnover at £888 million for the year is a rise of 7.9%; in the important fourth quarter, it amounted to £288 million which is an increase of 8.7% over last year.
- Trading profit at £74.2 million was 15.2% higher than the previous year and this improvement was due mainly to changes in merchandise mix coupled with good control of expenses.
- The higher charge for depreciation includes properly depreciation of £4.4 million (1979 £2.7 million). Interest costs are £4.4 million greater than last year due more to rises in U.K. interest rates than to increases in average borrowing.
- Given the economic uncertainties and inflationary pressures likely to obtain during 1980, it is difficult to predict the rate of activity for the retailing trade, in the current financial year therefore, the Company's results for the first six months are unlikely to show an improvement over those of the corresponding period in the last year, any gains will probably occur in the second half of the year.
- The Directors are proposing a final dividend for the year of 2.5695p (1979 3.245p) per stock unit.

F. W. WOOLWORTH AND CO., LIMITED
Woolworth House, 242/246, Marylebone Road, London NW1 5JL

THE KYOWA BANK LIMITED

London Branch

US \$15,000,000

NEGOTIABLE FLOATING RATE

CERTIFICATES OF DEPOSIT

DUE SEPTEMBER 17, 1984

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month interest period from March 15, 1980 to September 15, 1980 the Certificates will carry an interest rate of 18% per annum.

Agent
FIRST CHICAGO

Bakers

HOUSEHOLD STORES (LEEDS) LTD

Five years of continued growth

PRE-TAX YEARLY PROFIT RECORD

1975	1976	1977	1978	1979
£	£	£	£	£
155,915	204,625	225,101	424,225	620,997

BAKER HOUSE 8 NEW YORK ROAD, LEEDS LS2 7PF

INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

NORTH AMERICAN NEWS

Siemens deal meets anti-trust opposition

By Stewart Fleming in New York

THE U.S. Justice Department has filed suit seeking to prevent Siemens, the leading West German electronics group, from acquiring certain medical diagnostic equipment manufacturing operations from G. D. Searle, a U.S. company which also makes ethical drugs.

The Department, which filed the suit in New York City, alleges that Siemens is one of the few potential entrants into the U.S. market for the equipment, which is dominated by four companies that together have accounted for more than 80 per cent of domestic sales between 1975 and 1979. The Government said that Searle is the largest of the four, with a market share of about 25 per cent in 1979.

Siemens announced last October that it was negotiating to purchase Searle's diagnostics division, which had total sales of \$77m in 1979 and suffered a net loss of \$14m.

The Justice Department move comes only a day after the new head of its anti-trust division, Mr. Sanford M. Litvack, said that he would aim at being an anti-trust action against conglomerate mergers under section seven of the Clayton Anti-Trust Act.

The Department does not see the new Siemens case as specifically a conglomerate case, although it does have, in the Department's view, some conglomerate characteristics. The objective of Mr. Litvack, however, is to try to bring a case which will enable the Department to establish a good precedent for pursuing conglomerate mergers under the existing anti-trust law.

Over the past three years, during which there was a surge in large-scale conglomerate mergers, the anti-trust authorities have tried several times to bring cases to block the transactions, but with limited success. The Justice Department failed, for example, to get a temporary restraining order in the case of the \$1bn United Technologies/Carrier Corporation deal.

Chrysler backs call for Japan car import curbs

BY IAN HARGREAVES IN NEW YORK

MR. LEE IACocca, chairman of Chrysler, has called for Government measures to stem the flow of Japanese vehicle imports. Chrysler's latest selling cars are those it imports from Japan.

Mr. Iacocca said that the tide of small-car imports threatened to widen Chrysler's loss this year from \$500m to \$700m.

He did not comment on the fact that 22 per cent of Chrysler's car sales last month were accounted for by the Mitsubishi models it imports from Japan, or the fact that Chrysler recently appealed to the

Japanese to step up the level of shipments from a planned 200,000 to 220,000 this year.

Sales of Chrysler's Mitsubishi cars increased by more than 70 per cent last month compared with February 1979, while there was a sharp fall in the sales of locally-built Chrysler cars.

Chrysler has a 15 per cent stake in Mitsubishi and has been trying to persuade the Japanese company to enter a wide-ranging agreement on future joint production.

Chrysler is also still haggling with seven Japanese banks about re-instituting permanent

letters of credit to finance the imports. The banks have refused to comply.

Mr. Iacocca did not specify what anti-Japanese measures he favours, but hinted at support for a proposal from the United Automobile Workers Union that would restrict imports by manufacturers who refused to set up assembly plants in the U.S.

He said that he would like to see imports rolled back to the 17 to 18 per cent market share they captured in 1978. Last month, imports captured 27 per cent of the U.S. car market.

Pressure on Harvester mounts

BY OUR NEW YORK CORRESPONDENT

NEGOTIATORS FOR International Harvester, the big mid-western agricultural equipment and truck manufacturer, and the United Auto Workers Union, have intensified discussions aimed at settling the 133-day strike at the company—the longest strike in the car union's history.

Collective bargaining has continued uninterrupted since last weekend, and is expected to carry on over the forthcoming weekend too, as both sides count the rising cost of the dispute.

Some 35,000 employees have been called out, and the shut-

down is beginning to have a bigger impact on International Harvester's suppliers and its dealer network across the country.

The pressure on the company to settle is mounting, following the \$22m loss it reported in the first quarter ending January 31, and expectations among share analysts are that another heavy loss will be reported for the second quarter. Some fear that unless the strike is settled soon, International Harvester may decide to pass a forthcoming quarterly dividend in order to conserve cash. The company has already disclosed that it has

cut back 1980 capital expenditure plans by \$100m to \$400m. Although some progress has been made by negotiators on issues involving short-term lay-off provisions and employee job transfers, the main sticking point, which is the company's determination to implement compulsory overtime, remains. International Harvester feels that it is at a competitive disadvantage on this question. But the union is anxious to take away from I.H.'s rivals their right of imposing competitive overtime, and is firmly resisting the concession of that right to the company.

Operating income was \$23.1m or \$6.17 a share, up from \$19.5m or \$5.13 in 1978. In the final quarter, AIG earned \$66.2m or \$1.76, up from \$55.5m or \$1.49 in the same period of 1978.

Among the strongest segments was life insurance, where premiums rose by 23 per cent.

Mr. Maurice Greenberg, the chairman, said that 1979 had been a good year, although the company's combined ratio (a key measure of insurance company performance) had risen slightly, from 93.38 to 94.29. AIG had experienced inflationary pressures, he said, greater competition and significant losses connected with the multiple hurricanes that swept through the southern U.S. last year.

Currency losses hit Seagram earnings

By Robert Gibbons in Montreal

EARNINGS OF Seagram of Canada, the world's largest distilling group, in the second quarter ended January 31, were inhibited by foreign-exchange losses.

Second-quarter profits were U.S.\$5.7m or 25 cents a share, against \$18.4m or 52 cents a year earlier. Sales were \$787m against \$691m.

Second-quarter results are set after a net foreign-exchange translation loss of \$13.1m or 37 cents a share, against an exchange gain of \$1.7m or 4 cents a share a year earlier. The company would not immediately enlarge on that explanation for the setback.

In the first half, the company earned \$56.2m or \$1.60 a share against \$47.4m or \$1.35 a share a year earlier. Sales were \$1.56bn against \$1.26bn.

The company reported a foreign exchange translation loss for the first half of \$5.8m or 15 cents a share, against a loss of \$3.4m or 10 cents a share a year earlier.

Life business boosts AIG

By David Lascelles in New York

AMERICAN International Group (AIG), one of the most internationally-orientated U.S. insurance companies, yesterday reported a 21 per cent gain in earnings for 1979 despite what it termed greater competition and other cost pressures.

Operating income was \$23.1m or \$6.17 a share, up from \$19.5m or \$5.13 in 1978. In the final quarter, AIG earned \$66.2m or \$1.76, up from \$55.5m or \$1.49 in the same period of 1978.

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New system for NYSE

By Our New York Staff

STARTING TOMORROW, the New York Stock Exchange is to try out a new system for sorting out buy and sell orders that are entered before the Exchange opens each day. This accumulation of orders usually produces some hectic moments in the opening minutes.

The system, called the Opening Automated Report Service (or OARS), will enable buy and sell orders to be matched without going through floor brokers. It should also speed up price reporting and it is hoped, eliminate errors.

OARS will handle trades to only 10 stocks to start with, but will be expanded later.

U.S. QUARTERLIES

CHICAGO PNEUMATIC TOOL

	1979	1978
Fourth quarter	\$ 5	\$ 5
Revenue	124.9m	102.3m
Net profit	11.46m	6.02m
Net per share	10.03	1.13
Year		
Revenue	454.9m	377.3m
Net profit	16.99m	20.38m
Net per share	3.30	3.84
Loss		

NOTICE OF SECOND CONVENING OF THE FIRST MEETING OF GENERAL ASSEMBLY OF NOTEHOLDERS

The first convening of the First Meeting of the General Assembly of Noteholders on March 10th, 1980, not having been able to validly act due to the absence of the required quorum, notice is hereby given to the holders of Floating Rate Notes 1987 ("Notes") issued by BANQUE SUDAMERIS in aggregate principal amount of US\$30,000,000 (all of which are outstanding) that the Second Convening of the First Meeting of the General Assembly of Noteholders will be held on March 24th, 1980 at 3.15 p.m., Paris time at the registered office of BANQUE SUDAMERIS, 4 rue Mayarber, 75009 PARIS, France, for the purpose of acting upon the following:

— Appointment of Representatives of the "Messe" Noteholders, Mr. Roger BOUIN, 35, avenue de Saint-Moritz 75012 PARIS, France, Mr. Jean FLEURET-LABAYLE, 4, square Leon Blum 92000 PUTEAUX, France.

— Determination of the powers, term of appointment and remuneration of the Representatives of the "Messe" Noteholders

— Determination of the place for filing of records of the meeting

Any Noteholder may attend the Meeting or be represented at the Meeting by proxy. In order to participate in the action to be taken at the Meeting or to be represented at the Meeting, Noteholders must deposit their Notes (or a certificate of deposit) with the bank, financial institution or stockbroker with whom such Notes have been deposited at least five (5) days prior to the date set for the reconvened Meeting, March 24th 1980.

— BANQUE SUDAMERIS, 75009 PARIS, 4, rue Mayarber.

— BANQUE DE SUEZ-LUXEMBOURG S.A., LUXEMBOURG, 10, rue Aldringen.

— BANCA COMMERCIALE ITALIANA, 20121 MILAN, Piazza della Scala, 6.

— BANQUE DE PARIS & DES PAYS-BAS POUR LE GRAND OUCHE OU LUXEMBOURG, LUXEMBOURG 10, boulevard Royal.

— CREDIT INDUSTRIEL & COMMERCIAL, NEW YORK, NEW YORK 10017, 260, Park Avenue.

— MIOBANK BANK LIMITED, LONDON EC2P 6EN, P.O. Box 181, 60 Gracechurch Street.

— MORGAN GUARANTY TRUST, 1040 BRUXELLES, 35, avenue des Arts.

— SOCIETE GENERALE, 75009 PARIS, 35, boulevard Haussmann.

— UNION BANK OF SWITZERLAND 8001 ZURICH, 45, Bahnhofstrasse.

These banks will issue receipts for such deposits and will make available forms to prove enabling Noteholders to be represented at the Meeting by proxy. Receipts obtained and proxies given for Meeting as first convened may be used for the second convening of the Meeting. Noteholders either in person or through a duly appointed agent, shall have the right to inspect or copy the texts of resolutions to be proposed at the Meeting at the registered office of Banque SUDAMERIS and at the office of Banque de Suez-Luxembourg S.A. in Luxembourg.

BANQUE SUDAMERIS

The Board of Directors.

U.S. truck industry slump hits Dana profits

BY OUR NEW YORK STAFF

DANA, the motor and industrial components group, suffered a 31 per cent decline in second quarter earnings as the U.S. truck industry slump started to bite. Earnings for the quarter came out at \$27.3m on sales down by 6 per cent at \$651m.

For the six months, sales declined from \$1.37bn to \$1.35bn with net profits totalling \$70.1m or \$2.00 a share, against \$88m or \$2.50 a share for the previous corresponding period.

Mr. Gerry Mitchell, president, said he was pleased that the

company's profit margin of 5.2 per cent had held up well ahead of industry averages, in spite of a big drop in demand for truck parts. U.S. truck sales fell by 18 per cent last year.

He forecast that truck production would increase "modestly" in the coming months.

Q. Gatas-Larsen, the shipping company spun off last year from the IU International group, returned to profitability last year after a loss of \$83.5m in 1978. The Bermuda-based company showed a net income of

\$2.3m last year on sales up from \$147m to \$161m. Most of the 1978 loss was due to vessel cancellations and losses on tanker sales.

Thomson Newspapers, the North American publishing group of the Thomson family, has ended its fiscal year with profits up almost 15 per cent, our Financial Staff writes. Net earnings rose from \$356.6m or \$1.13 a share to \$365m or \$1.31 a share. Revenues advanced 91 per cent, from \$3306.5m to \$3335.6m.

Q. Third quarter earnings of H. J. Heinz amounted to \$21.99m or 94 cents a share, compared with \$21.19m or 91 cents a share in the same period last year, on sales up from \$566.7m to \$703.6m.

This brings nine-month earnings to \$103.55m or \$4.52 a share, against \$64m or \$2.76 a share last year. Sales totalled \$2.07bn against \$1.72bn previously.

The directors expect earnings for the current year to increase to between \$6.25 and 6.35 a share, from \$4.80 in the year ended last May 2.

PAN-HOLDING

S.A.

LUXEMBOURG

The Board of Directors met on March 4, 1980 to finalise the accounts for the financial year 1979. The accounts show a net profit of US\$87,870,720.69 (versus US\$6,871,164.37 in 1978).

The unconsolidated net asset value per share, adjusted for the distribution of one free share for four, as of December 31, 1979 amounted to US\$158.95, i.e. an increase of 52.4 per cent as compared to December 31, 1978 or 54.4 per cent if the dividend of US\$2.60 paid on July 2, 1979 is taken into account. However, this unconsolidated net asset value includes an extraordinary gain of US\$19.34 per share realised through the repurchase of 140,000 shares held by the company's subsidiary Pan-Inter followed by their cancellation by the extraordinary general meeting of December 18, 1979.

When excluding this extraordinary gain, the increase of the unconsolidated net asset value per share would be 33.8 per cent as compared to December 31, 1978 and 35.8 per cent when taking into account the dividend paid.

As of December 31, 1979 the consolidated value amounted to US\$161.71 per share, adjusted for the distribution of bonus shares.

The Board has decided to propose to the ordinary general meeting, to be held on May 30, 1980, to maintain, after the bonus issue, the distribution of a dividend of US\$2.60 (two dollars sixty cents) per share of US\$50 par value outstanding on June 30, 1980, which represents for the shareholder an increase of 25 per cent.

This dividend is free of withholding tax in Luxembourg and will be payable as from July 1, 1980. The right to the bonus issue is dealt in on the Luxembourg stock exchange since February 19 and until March 21, 1980. It is also dealt in on the "Bourse Cote de la Bourse de Paris".

The delivery operations of the new shares will start on March 24, 1980.

The Board of Directors has also decided to propose to the annual shareholders' meeting the nomination of Maitre Jacques Loesch, Mr. Alain Philippe and Miss Béatrice Philippe as Directors. They all are members of the Executive Committee of the Company.

As of February 29, 1980, the unconsolidated net asset value amounted to US\$174.51 per share, an increase of 9.8 per cent compared to December 31, 1979 and the consolidated net asset value amounted to US\$177.39 per share.

NOTEHOLDERS OF BANQUE SUDAMERIS FLOATING RATE NOTES DUE 1987

Banque Sudameris
French Société Anonyme
with a Share Capital of FF 129,000,000
Registered Office: 4, rue Mayarber, 75009 Paris, France
R.C.S. Paris B 542 056 544 A.P.E. 3902

NOTICE OF SECOND CONVENING OF THE FIRST MEETING OF GENERAL ASSEMBLY OF NOTEHOLDERS

The first convening of the First Meeting of the General Assembly of Noteholders on March 10th, 1980, not having been able to validly act due to the absence of the required quorum, notice is hereby given to the holders of Floating Rate Notes 1987 ("Notes") issued by BANQUE SUDAMERIS in aggregate principal amount of US\$30,000,000 (all of which are outstanding) that the Second Convening of the First Meeting of the General Assembly of Noteholders will be held on March 24th, 1980 at 3.15 p.m., Paris time at the registered office of BANQUE SUDAMERIS, 4 rue Mayarber, 75009 PARIS, France, for the purpose of acting upon the following:

— Appointment of Representatives of the "Messe" Noteholders, Mr. Roger BOUIN, 35, avenue de Saint-Moritz 75012 PARIS, France, Mr. Jean FLEURET-LABAYLE, 4, square Leon Blum 92000 PUTEAUX, France.

— Determination of the powers, term of appointment and remuneration of the Representatives of the "Messe" Noteholders

— Determination of the place for filing of records of the meeting

Any Noteholder may attend the Meeting or be represented at the Meeting by proxy. In order to participate in the action to be taken at the Meeting or to be represented at the Meeting, Noteholders must deposit their Notes (or a certificate of deposit) with the bank, financial institution or stockbroker with whom such Notes have been deposited at least five (5) days prior to the date set for the reconvened Meeting, March 24th 1980.

— BANQUE SUDAMERIS, 75009 PARIS, 4, rue Mayarber.

— BANQUE DE SUEZ-LUXEMBOURG S.A., LUXEMBOURG, 10, rue Aldringen.

— BANCA COMMERCIALE ITALIANA, 20121 MILAN, Piazza della Scala, 6.

— BANQUE DE PARIS & DES PAYS-BAS POUR LE GRAND OUCHE OU LUXEMBOURG, LUXEMBOURG 10, boulevard Royal.

— CREDIT INDUSTRIEL & COMMERCIAL, NEW YORK, NEW YORK 10017, 260, Park Avenue.

— MIOBANK BANK LIMITED, LONDON EC2P 6EN, P.O. Box 181, 60 Gracechurch Street.

— MORGAN GUARANTY TRUST, 1040 BRUXELLES, 35, avenue des Arts.

— SOCIETE GENERALE, 75009 PARIS, 35, boulevard Haussmann.

— UNION BANK OF SWITZERLAND 8001 ZURICH, 45, Bahnhofstrasse.

These banks will issue receipts for such deposits and will make available forms to prove enabling Noteholders to be represented at the Meeting by proxy. Receipts obtained and proxies given for Meeting as first convened may be used for the second convening of the Meeting. Noteholders either in person or through a duly appointed agent, shall have the right to inspect or copy the texts of resolutions to be proposed at the Meeting at the registered office of Banque SUDAMERIS and at the office of Banque de Suez-Luxembourg S.A. in Luxembourg.

BANQUE SUDAMERIS

The Board of Directors.

VONTSEL EUROBOND INDICES
14.576=100%

	1979	1978
Fourth quarter	\$ 5	\$ 5
Revenue	21.30m	21.30m
Net profit	1.20m	1.20m
Net per share	1.20	1.20
Year		
Revenue	67.9m	61.0m
Net profit	1.80m	1.80m
Net per share	1.80	1.80

F. W. WOOLWORTH

The Board of Directors.

CAPITAL MARKETS

Two foreign Swiss franc bond offers postponed

BY FRANCIS GHILES

TWO FOREIGN Swiss franc debentured bonds have been postponed because of the poor state of this sector of the Euro-bond market and the growing reluctance of investors to buy Swiss franc paper. Banque Keyser Ullmann en Suisse and Nordbank have decided to postpone until early May a SwFr 60m issue which they had planned to float for London between March 20 and 26.

Meanwhile, Handelsbank said it was postponing a SwFr 65m issue for the Spanish borrower Iberdruco.

Prices of outstanding Swiss franc foreign bonds have posted falls of more than five points over the past two weeks, pushing up the average yield by 1/2 of a point to over 7 per cent. Yesterday, however, most bonds gained about 1/2 of a point.

Deutsche-Mark foreign bonds

were firmer yesterday, rising by about 1/2 of a point. Two factors appear to be behind this gentle rise in prices. First of all, D-Mark deposit rates did not come down while dollar deposit rates did, quite markedly. Secondly, some German bankers expect the Bundesbank to help the market by injecting some liquidity in the day possibly rescinding the ban on selling Schuldscheine notes of less than five years' maturity to foreign residents. With yields on outstanding foreign D-Mark issues now standing at around 9.70 per cent, investors can expect a real return of about 1 per cent on the paper they buy.

Dollar bond prices moved erratically yesterday; straight dollar bonds moved up at the start of trading but the move-ment petered out before lunch. By early afternoon prices

weakened in the face of price falls in New York, but prices later rallied to finish the day with gains of about 1/2 of a point on the day, helped by the easing in deposit rates.

The Yankee bond offering for Export Development Corporation of Canada, which is managed by Salomon Brothers, was increased by \$500m from the initial amount of \$200m and priced at par after the coupon was fixed at 14 per cent. This provides the investor with a yield of 14.49 per cent on an ATEB basis and resulted, according to the lead manager, in some lively swapping for clients eager to buy the new issue.

Sterling-dominated bonds moved up by an average of 1/2 of a point yesterday, while French franc bonds were unchanged.

Denmark arranges \$250m loan

BY PETER MONTAGNON

THE KINGDOM of Denmark is

currently arranging a \$250m, eight-year credit from a small group of international banks, its first such operation since the Central Bank Governor, Mr. Erik Hoffmeyer, said in January that the country was facing an "economic abyss".

In spite of Mr. Hoffmeyer's pessimism, the loan carries a spread of only 1 per cent over Libor throughout, the same as that on the \$600m, ten-year credit arranged last summer.

The present loan will have a grace period of one year. It will be syndicated on a "club" basis through a small group of banks currently being formed under the co-ordination of local Danish banks.

The fact that Denmark has been able to obtain such favourable terms on its borrowing underlines once again the resist-

ance to higher spreads in a market which is now becoming increasingly liquid.

According to bankers in Copenhagen, the success of the recent eight-year borrowing by the Central Bank of Finland also played a role in determining the pricing. This loan has a split spread of 1/2 and 1 points over Libor, and the amount was raised to \$150m from \$100m because of strong demand.

Denmark currently has about \$1.1bn in unsecured credit commitments, and with reserves standing at around \$3bn, it has an urgent need to raise money on the international capital markets.

However, the decision to go ahead with a loan at this stage is in line with the Kingdom's policy of keeping a bolster of unsecured commitments against future external financing needs.

Record Dutch tender

BY JEFFREY BROWN

APPLICATIONS for the latest bond tender by the Dutch Government totalled a record \$1.1bn (\$500m). It was disclosed yesterday on a coupon of 91 per cent.

The minimum tender price

for the 10-year bonds, which

carry a coupon of 11 1/2 per cent,

was struck at 100.5. In January

the Government raised \$1.65bn

over 15 years on a coupon of

9 1/2 per cent.

The minimum tender price

was 91 per cent.

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was 91 per cent.

The minimum tender price

Sterling firm

Sterling rose against most currencies yesterday, reflecting in part a weaker trend in the U.S. dollar. Trading was not very active for most of the day apart from the occasional flurry, and on Bank of England figures, the pound's trade weighted index rose to 72.5 from 72.3, having stood at 72.4 at noon and 72.3 in the morning. Against the dollar it opened at \$2.2325 and dipped briefly to \$2.2310, its low point for the day. It soon recovered, however, to \$2.2410, but was back at \$2.2350 by noon. During the afternoon it touched a best level of \$2.2415, but fell in later trading on dollar demand to close at \$2.2340-2.2350, a rise of 15 points from Tuesday's close.

The dollar finished around its best level of the day overall, but still showed a slight easing from Tuesday. Demand for the U.S. unit was not so strong yesterday, with Euro-dollar rates showing a weaker tendency. However, this softer trend was mainly a technical adjustment. The dollar's fall meant that central banks were able to raise rates, and there was no significant intervention during the day.

Against the D-mark it finished at DM 1.8070, down from Tuesday's level of DM 1.8120. Similarly against the Swiss franc it eased to SwFr 1.7350 from SwFr 1.7360. In terms of the Japanese yen the dollar showed a slight improvement to ¥247.40 from ¥247.10. On Bank of England figures, the dollar's trade weighted index was unchanged at 87.4.

D-MARK—Steady within the European Monetary System, but weaker against dollar, the D-mark showed a sharp upward movement in U.S. interest rates—Most currencies lost ground against the D-mark in Frankfurt yesterday. The dollar was fixed lower at DM 1.8070 compared with DM 1.8088 on Tuesday, and there was no intervention by the Bundesbank. Earlier in the day the U.S. unit

had fallen to DM 1.7980 on profit taking, but soon came back on short covering. Elsewhere, sterling was fixed higher at DM 4.0280 against DM 4.0150 while the French franc eased to DM 42.70 per FF 100 from DM 42.725. The Swiss franc continued to lose ground and was quoted at DM 1.0440 against DM 1.0450.

FRENCH FRANC—Remaining firm and one of the strongest currencies within the EMS—The franc showed mixed changes at yesterday's Paris fixing, losing ground to the pound and the D-mark, but improving against the Swiss franc. Domestic interest rates remained high yesterday, with further increases in commercial bank rates announced. Within the EMS the franc remained the most improved currency.

BELGIAN FRANC—Generally weakest member of EMS, but resists devaluation—The franc improved against most major currencies yesterday, with sterling being the one notable exception. At the Brussels fixing, the pound rose to BFr 65.55 from BFr 65.325, while the dollar eased to BFr 29.32 from BFr 29.325.

JAPANESE YEN—Energy problems reflected in sharp decline last year, which after a slight pause has been renewed, resulting in a support package and heavy central bank intervention. The yen was steady against the dollar, with the dollar's trade weighted index unchanged at 87.4.

THE POUND SPOT AND FORWARD

March 12	Day's spread	Close	One month	% Three months	% p.a.
U.S.	2.2310-2.2415	2.2340-2.2350	0.22-0.125 pm	0.91 0.07pm-0.03ds 0.03	
Canada	2.8976-2.8985	2.8980-2.8990	1.10-1.00c pm	4.84 2.80-2.65 pm	4.19
Denmark	4.475-4.485	4.475-4.485	12-20 pm	1.28 30-20 pm	1.52
Belgium	65.30-65.70	65.55-65.55	12-20 pm	1.28 30-20 pm	1.52
France	42.55-42.65	42.60-42.65	12-20 pm	1.28 30-20 pm	1.52
Germany	1.0440-1.0450	1.0440-1.0450	12-20 pm	1.28 30-20 pm	1.52
Italy	1.0440-1.0450	1.0440-1.0450	12-20 pm	1.28 30-20 pm	1.52
Spain	160.00-161.00	160.00-161.00	12-20 pm	1.28 30-20 pm	1.52
Sweden	4.475-4.485	4.475-4.485	12-20 pm	1.28 30-20 pm	1.52
Switzerland	2.2310-2.2415	2.2340-2.2350	0.22-0.125 pm	0.91 0.07pm-0.03ds 0.03	

THE DOLLAR SPOT AND FORWARD

March 12	Day's spread	Close	One month	% Three months	% p.a.
U.S.	2.2310-2.2415	2.2340-2.2350	0.22-0.125 pm	0.91 0.07pm-0.03ds 0.03	
Canada	2.8976-2.8985	2.8980-2.8990	1.10-1.00c pm	4.84 2.80-2.65 pm	4.19
Denmark	4.475-4.485	4.475-4.485	12-20 pm	1.28 30-20 pm	1.52
Belgium	65.30-65.70	65.55-65.55	12-20 pm	1.28 30-20 pm	1.52
France	42.55-42.65	42.60-42.65	12-20 pm	1.28 30-20 pm	1.52
Germany	1.0440-1.0450	1.0440-1.0450	12-20 pm	1.28 30-20 pm	1.52
Italy	1.0440-1.0450	1.0440-1.0450	12-20 pm	1.28 30-20 pm	1.52
Spain	160.00-161.00	160.00-161.00	12-20 pm	1.28 30-20 pm	1.52
Sweden	4.475-4.485	4.475-4.485	12-20 pm	1.28 30-20 pm	1.52
Switzerland	2.2310-2.2415	2.2340-2.2350	0.22-0.125 pm	0.91 0.07pm-0.03ds 0.03	

CURRENCY RATES

Mar. 11	Bank rate	Special Drawing Rights	European Currency Unit	Mar. 11	Bank of England	Morgan Stanley
U.S.	1.7350	1.7350	1.7350	U.S.	1.7350	1.7350
Canada	2.8976	2.8976	2.8976	Canada	2.8976	2.8976
Denmark	4.475	4.475	4.475	Denmark	4.475	4.475
Belgium	65.30	65.30	65.30	Belgium	65.30	65.30
France	42.55	42.55	42.55	France	42.55	42.55
Germany	1.0440	1.0440	1.0440	Germany	1.0440	1.0440
Italy	1.0440	1.0440	1.0440	Italy	1.0440	1.0440
Spain	160.00	160.00	160.00	Spain	160.00	160.00
Sweden	4.475	4.475	4.475	Sweden	4.475	4.475
Switzerland	2.2310	2.2310	2.2310	Switzerland	2.2310	2.2310

OTHER CURRENCIES

Mar. 12	Bank rate	Special Drawing Rights	European Currency Unit	Mar. 12	Bank of England	Morgan Stanley
U.S.	1.7350	1.7350	1.7350	U.S.	1.7350	1.7350
Canada	2.8976	2.8976	2.8976	Canada	2.8976	2.8976
Denmark	4.475	4.475	4.475	Denmark	4.475	4.475
Belgium	65.30	65.30	65.30	Belgium	65.30	65.30
France	42.55	42.55	42.55	France	42.55	42.55
Germany	1.0440	1.0440	1.0440	Germany	1.0440	1.0440
Italy	1.0440	1.0440	1.0440	Italy	1.0440	1.0440
Spain	160.00	160.00	160.00	Spain	160.00	160.00
Sweden	4.475	4.475	4.475	Sweden	4.475	4.475
Switzerland	2.2310	2.2310	2.2310	Switzerland	2.2310	2.2310

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

ECU	Currency amount	% change from central rate	% change from adjusted for divergence	Divergence
Belgian Franc	33.7607	2.18	+1.52	-1.52
German Mark	7.2336	2.18	+1.52	-1.52
Danish Krone	2.4608	2.18	+1.52	-1.52
French Franc	6.5595	2.18	+1.52	-1.52
Irish Punt	0.7886	2.18	+1.52	-1.52
Italian Lira	1157.27	2.18	+1.52	-1.52

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 17.55-17.65 per cent; three-months 18.10-18.20 per cent; six months 18.75-18.85 per cent; one year 18.80-18.90 per cent.

Mar. 12	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Australian Dollar	Japanese Yen
Short term	16.5-17	17.5-18	18.5-19	19.5-20	20.5-21	21.5-22	22.5-23	23.5-24	24.5-25	25.5-26
12 days notice	17.5-18	18.5-19	19.5-20	20.5-21	21.5-22	22.5-23	23.5-24	24.5-25	25.5-26	26.5-27
1 month	17.5-18	18.5-19	19.5-20	20.5-21	21.5-22	22.5-23	23.5-24	24.5-25	25.5-26	26.5-27
3 months	17.5-18	18.5-19	19.5-20	20.5-21	21.5-22	22.5-23	23.5-24	24.5-25	25.5-26	26.5-27
6 months	17.5-18	18.5-19	19.5-20	20.5-21	21.5-22	22.5-23	23.5-24	24.5-25	25.5-26	26.5-27
1 year	17.5-18	18.5-19	19.5-20	20.5-21	21.5-22	22.5-23	23.5-24	24.5-25	25.5-26	26.5-27

Long-term Eurodollar two years 15.5-16 per cent; three years 15.5-16 per cent; four years 14.5-15 per cent; five years 14.5-15 per cent; nominal closing rates. Short-term rates are for sterling, Canadian dollar and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

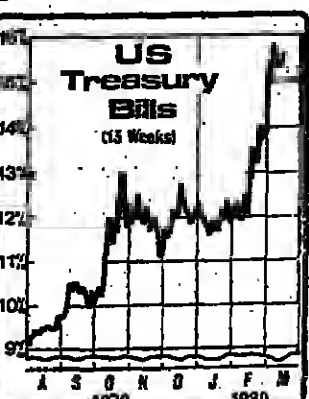
EXCHANGE CROSS RATES

Mar. 12	Pound Sterling	U.S. Dollar	Deutsche Mark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	2.235	4.040	89.50	4.445	2.895	4.445	1977	9.603	66.50
U.S. Dollar	0.448	1	1.808	24.65	4.445	1.950	4.445	1977	9.603	66.50
Deutsche Mark	0.248	0.553	1	166.9	2.339	0.957	1.100	464.8	0.644	16.24
Japanese Yen	1.109	0.345	0.040	1	10.4	4.061	4.702	1987	2.758	69.44
French Franc	0.229	0.259	0.278	0.045	1	2.444	1.149	495.6	0.574	15.97
Swiss Franc	0.228	0.503	0.909	194.5	2.197	0.970	1	422.5	0.585	14.77
Dutch Guilder	0.533	1.190	0.915	994.6	5.035	6.059	2.567	1000	1.597	54.95
Italian Lira	0.294	0.858	1.592	212.4	5.529	1.485	1.708	721.0	1	96.80
Canada Dollar	1.534	0.606	0.159	0.040	14.40	0.692	0.772	28.61	3.569	100
Belgian Franc	1.534	0.606	0.159	0.040	14.40	0.692	0.772	28.61	3.569	100

INTERNATIONAL MONEY MARKET

Dutch rates steady

High interest rates and low inflation in the Netherlands has increased the attraction of the guilder to foreign investors, pushing the Dutch currency to the top of the European Monetary System in recent weeks. Although now overtaken by the French franc once again, the guilder is marginally firmer against the D-mark than at the



beginning of the year. The slight easing of the guilder over the past few days has partly reflected sales of the Dutch currency by the Belgian National Bank to support the weak franc within the EMS. Under these conditions there is no pressure on interest rates in the Amsterdam money market, with liquidity ample. Call money was unchanged at 10.10-10.20 per cent yesterday, and period rates showed small mixed changes around a level of 11 per cent to

12 per cent, compared with the latest inflation rate of 8 per cent. In Brussels the Belgian central bank left its discount rate at 12 per cent, despite the weakness of the franc which prompted Tuesday's increase in short-term rates. Deposit rates in the money market, showed little change yesterday.

In Paris term rates were also steady, while call money remained at its highest level for over five years of 13 per cent. This, coupled with the upward trend in French commercial bank base rates has returned the French franc to the leading position in the EMS.

UK MONEY MARKET

Further shortage

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979). Day-to-day credit remained in slightly short supply in the London money market yesterday, and the authorities gave small assistance by buying a small amount of Treasury bills from the discount houses, and by lending a small amount overnight at Minimum Lending Rate to one or two houses. Banks brought forward small

GOLD

Firm trend

GOLD ROSE \$19 an ounce in the London market yesterday, to close at \$353-\$359. Trading was fairly busy for most of the day, with demand returning for the metal at lower levels than seen recently. The metal opened at \$370-\$375 and rose to \$382.5 at the morning fix and further still in the afternoon to be fixed at \$385.70. Most of the day's trading took place within \$382.5-\$385.70.

Mar. 12	Gold Bullion (fine ounce)	Mar. 11
Close	\$353.00	\$352.50
Opening	\$353.00	\$352.50
Morning fixing	\$382.50	\$382.50
Afternoon fixing	\$385.70	\$385.70

run down balances, repayment of the money lent to the market on Tuesday, there was a small net take up of Treasury bills to finance the metal. The metal opened at \$370-\$375 and rose to \$382.5 at the morning fix and further still in the afternoon to be fixed at \$385.70. Most of the day's trading took place within \$382.5-\$385.70.

LONDON MONEY RATES

Mar. 12	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Australian Dollar	Japanese Yen
Overnight	16.5-17	17.5-18	18.5-19	19.5-20	20.5-21	21.5-22	22.5-23	23.5-24	24.5-25	25.5-26
12 days notice	17.5-18	18.5-19	19.5-20	20.5-21	21.5-22	22.5-23	23.5-24	24.5-25	25.5-26	26.5-27
1 month	17.5-18	18.5-19	19.5-20	20.5-21	21.5-22	22.5-23	23.5-24	24.5-25	25.5-26	26.5-27
3 months	17.5-18	18.5-19	19.5-20	20.5-21	21.5-22	22.5-23	23.5-24	24.5-25	25.5-26	26.5-27
6 months	17.5-18	18.5-19	19.5-20	20.5-21	21.5-22	22.5-23	23.5-24	24.5-25	25.5-26	26.5-27
1 year	17.5-18	18.5-19	19.5-20	20.5-21	21.5-22	22.5-23	23.5-24	24.5-25	25.5-26	26.5-27

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 15.5-16 per cent; four years 15.5-16 per cent; five years 15.5-16 per cent. Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 17.5-17.75 per cent; four-month trade bills 17.5 per cent. Approximate selling rates for one-month Treasury bills 15.5-15.75 per cent; two-months 15.5-15.75 per cent; three-months 15.5-15.75 per cent. Approximate selling rates for one-month Treasury bills 17.5-17.75 per cent; two-months 17.5-17.75 per cent; three-months 17.5-17.75 per cent. Finance houses base rates (published) 10 per cent from March 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 12.1211 per cent.

هكذا من النجمل

This announcement appears as a matter of record only.

March 1980



SHOBOKSHI GROUP

Ali and Fahd Shobokshi Group
General Agencies Corporation
Electrical Works and Maintenance
Al-Arousa Furniture Manufacture & Trade
Orient International Agencies
Shobokshi Maritime Company

Guaranteed by:
Sheikh Ali Hussein Shobokshi and Sheikh Fahd Hussein Shobokshi

U.S. \$45,000,000 Medium Term Revolving Credit Facility

Lead Managed by:
American Express Bank
International Group

Managed by:
Bankers Trust Company

Banque de Paris et des
Pays-Bas
(Bahrain Offshore Branch)

Societe Generale
(Bahrain Branch)

Al Saudi Banque
(Bahrain Branch)

Barclays Bank
International Limited
(Bahrain Offshore Banking Unit)

Kredietbank
International Group

The Saudi British Bank

And provided by:
American Express International Banking Corporation

Barclays Bank International Limited
(Bahrain Offshore Banking Unit)

Al Saudi Banque (Bahrain Branch)

Credit Commercial de France

Bankers Trust Company

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Banque de Paris et des Pays-Bas
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FINANCIAL TIMES SURVEY

Thursday March 13 1980

Edinburgh

Scotland's capital city, the country's commercial and administrative centre, is prospering. Unemployment is below average and its people, threequarters of whom are employed in service industries, live and work in a first-class architectural and geographical environment. RAY PERMAN reports.

Unique and vibrant capital

THE FIRST thing that strikes the visitor to Edinburgh, particularly if he arrives on one of those crisp, bright days when the northern light makes the colours especially vibrant, is how unlike a British city it is.

Geography—or more correctly topography—and architecture set it apart from anywhere else in the UK. A rugged crag of weathered volcanic rock rises nearly 300 feet from Princes Street Gardens in the very centre and is surrounded by a formidable fortress. A mile away, Arthur's Seat, a miniature mountain complete with cliffs, a sheltered glen where sheep graze, and lochs is given added stature and grandeur by the fact that it is hemmed on all sides by buildings.

And what buildings. Edinburgh has 2,500 listed houses, monuments, halls and other structures; only London, 10 times bigger, has more. Nowhere is there such a range

of architecture in a confined space. The Royal Mile, which runs down the spine of rock from the Castle to the Palace of Holyroodhouse, is flanked by tenements up to 500 years old. Openings lead to a warren of passageways, lanes and courtyards. It is easy to get an impression of the disease-ridden squalor in which the citizens lived—on top of each other—before the draining of the Nor Loch and the building of the New Town in the 18th and 19th centuries.

Besides the Castle—a working building rather than a pile of stones since it is the headquarters of the army in Scotland—the Royal Mile contains much else that is impressive. St Giles, premier cathedral of the Church of Scotland, with its open Gothic crown, Parliament House, where the last Scottish Parliament met in 1707, the house of John Knox who led the Reformation north of the border, and Holyrood Palace itself. The Queen's residence in Edinburgh, it is one of the most approachable and the most attractive of her homes. Council houses come right up to one of its gates and there is a hewery outside another. Its architecture recalls a Loire chateau, a reminder of the close links Scotland had with the Continent when she was still estranged from England.

In contrast to the crowded Old Town, the New Town is open, spacious and formal. Its broad streets and squares make up the largest concentration of preserved neo-classical architecture in Europe. It is the business centre of the city, but at the same time one of the main

residential areas, as it is characteristic of Edinburgh that it is still possible to live in comfort within a few minutes' walk of the place in which you work.

There are suburbs on the London pattern, but like European cities the vast majority of people living in the centre of the city live in flats rather than houses. This produces compactness. Edinburgh is an extremely easy city to get around.

Easier base

Edinburgh is still a capital city, even though its last head of state to be a permanent resident—James VI—left in 1603 to live in London as an easier base from which to run two monarchies rather than one, and it has not been the seat of a legislature for more than 250 years.

The devolution referendum, just over a year ago, ended for the time being Edinburgh's chances of winning back that distinction. The Old Royal High School, the building chosen to house the proposed Scottish Assembly, stands magnificently restored in its Georgian splendour, but empty. The Government has not yet found an alternative use for it, being too high to open up for the occasional northern visits of the Select Committee on Scottish Affairs and too small to use as a conference centre. So it stands forlornly gazing out over the city from the Calton Hill, seat of that other folly, the unfinished replica of the Parthenon.

There can be no doubt that had the referendum gone the other way and the assembly

been established, Edinburgh would have benefited greatly. Centres of power attract those who need to be near the decision making process. Already in the past five years a number of major companies had set up offices in Edinburgh specifically to monitor the flow of administrative decisions coming from St. Andrew's House, location of the Civil Service in Scotland, and to be ready for the assembly. Although none of the lobbyists, who include ICI, BP and IBM, has decided to move out because of the referendum result, no more have come in since March 1, 1979.

Yet Edinburgh still retains many of the trappings of a capital and many of the advantages—and drawbacks—that follow in their wake. If legislative devolution is not to be, administrative devolution has already happened and few people realise its extent. There are some 13,000 civil servants working in Edinburgh, more than are employed by the European Commission in Brussels. Under the political direction of a Secretary of State and six Ministers they carry out almost all the domestic functions in Scotland performed in England by the London-based Government departments.

Thus when farmers in Scotland want to apply for grants they write to Edinburgh rather than London, when teachers want to demonstrate against the latest round of spending cuts in education, they do so in Edinburgh and when local authorities want to lobby for higher rate support grants, it is to Edinburgh that they come. It decentralised power in a UK context, but to

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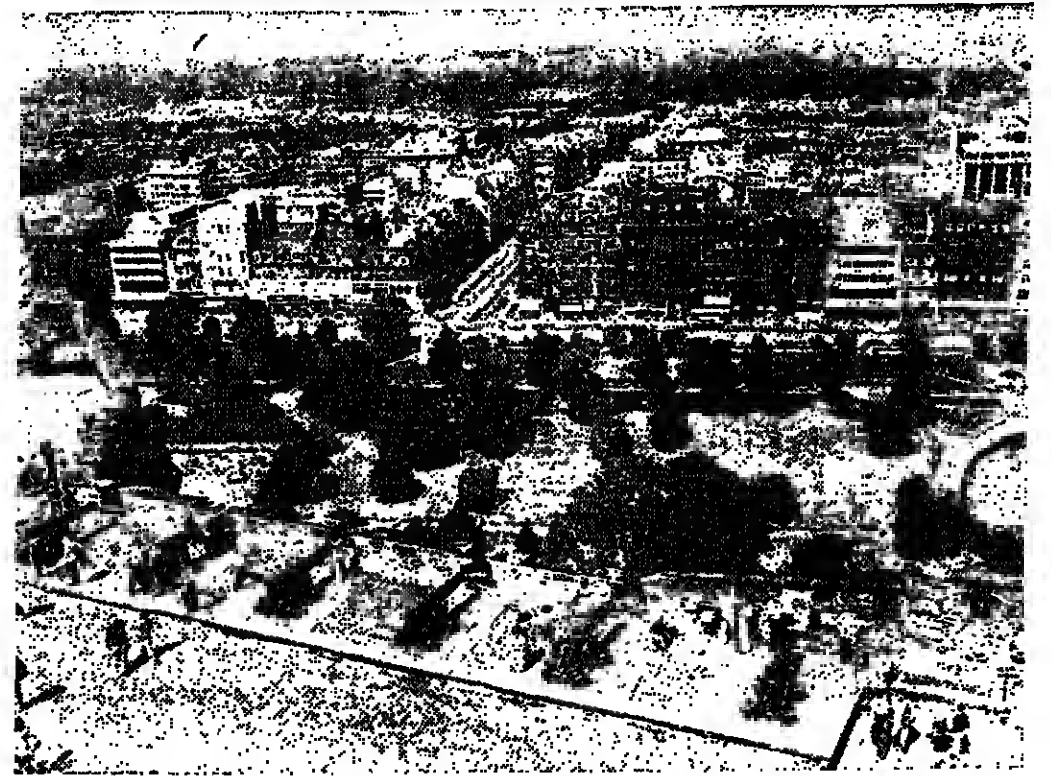
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many Scots the "bureaucrats in Edinburgh" are just as remote, unconcerned and out of touch as their counterparts in Whitehall are supposed to be.

Edinburgh is, of course, also the seat of the City Council (called since 1975 the City District Council, since it is now also responsible for some of the outlying areas such as South Queensferry, where the Forth road and rail bridges cross to Fife) and the Lothian Regional Council, which administers services such as roads, education, social work, water and sewerage for the three Lothian counties and the city. There are well over 20,000 people working in local or national government service in the city.

Business interests

Being a capital means more than just government. Edinburgh is and always has been the commercial centre of Scotland. Two of the three Scottish clearing banks, the Royal and the Bank of Scotland, have their headquarters there, so do three Scottish merchant banks, seven of the



Princes Street seen from the Castle, headquarters of the army in Scotland

leading UK life insurance offices, two shipping lines, manufacturers like the Distillers Company, nationalised industries such as the Scottish area of the National Coal Board and the Scottish Gas Corporation.

It is the focus for the separate and distinctive Scottish legal system, being the base for the Lord Advocate (chief Scottish law officer), the Court of Session (High Court) and Scottish Appeal Court, the Faculty of Advocates (the equivalent of an Inn of Court) and the Law Society of Scotland.

It is the home of some characteristically Scottish skills, like prudent money management: around a third of all the cash invested in the UK is handled through Edinburgh.

Add to these activities the fact that Edinburgh is also a national and regional shopping centre and that it acts as a warehousing and distribution point for South-East Scotland and it is hardly surprising that threequarters of the working population is employed in the service sector. This imbalance between services and manufacturing has in fact been growing as the number of manufacturing jobs declines (faster than in the country as a whole) and the number of service jobs

increases. This is a trend the City District Council has been concerned to arrest because it means generally more female employment and less male-hastening the drift of population away from the city.

Prosperous

Several policies have been adopted to stop the fall in population, but the extent of the problem should not be exaggerated. In the 15 years up to 1975 the fall was only 15,000 to 469,000, and in the meantime the city has been growing richer. It is a prosperous place whose unemployment rate is always significantly lower than the national average and whose problems of urban decay are slight compared to its near neighbour, Glasgow.

Being a capital city has meant a high level of infrastructure and facilities which few provincial cities of comparable size can boast. In education, for example, it supports two universities, several technical colleges and colleges of education, two major public schools and several minor public and direct grant schools and a State primary and secondary system that is highly regarded. As well as the usual general and specialist hospitals it also supports medical research of an

advanced nature in several important fields and has a renowned medical school.

Culturally, too, Edinburgh is well off. The annual international Festival attracts celebrities of world-wide fame, but during the other 48 weeks of the year there are concerts and performances in all the arts of a far higher than provincial standard. The city houses the Scottish National Gallery, the Scottish Royal Academy, the Royal Scottish Museum, the National Library of Scotland and many other national institutions. Even in religion it is overendowed, having three cathedrals (Church of Scotland, Episcopalian and Roman Catholic) and the annual general assemblies of both the Church of Scotland and the Free Church of Scotland.

In recent years there has been vast spending on infrastructure, which is still going on. A system of by-pass roads is under construction and more are planned. The airport has virtually been rebuilt, with a new runway and passenger terminal. A new dam and reservoir is being constructed in the Borders to bring water to the city and two years ago a new sewage treatment plant was opened to prevent raw waste from the city being pumped unprocessed into the Firth of Forth.

Some people will come a long way to work in Edinburgh!

And we'll go out of our way to help them work here. Particularly if the industry they bring with them has a leaning towards high technology.

While everybody knows of Edinburgh as a major tourist, financial and cultural centre—the Festival, The Tattoo, the Castle and the University—it's not generally known that we're pretty big on the industrial side of things, too.

We already have people like Ferranti, Hewlett-Packard, Nuclear Enterprises, Ethicon, Parsons, Peebles, Hey Di (GB) Ltd, Bredero-Price and MESL among many others. But we could do with more.

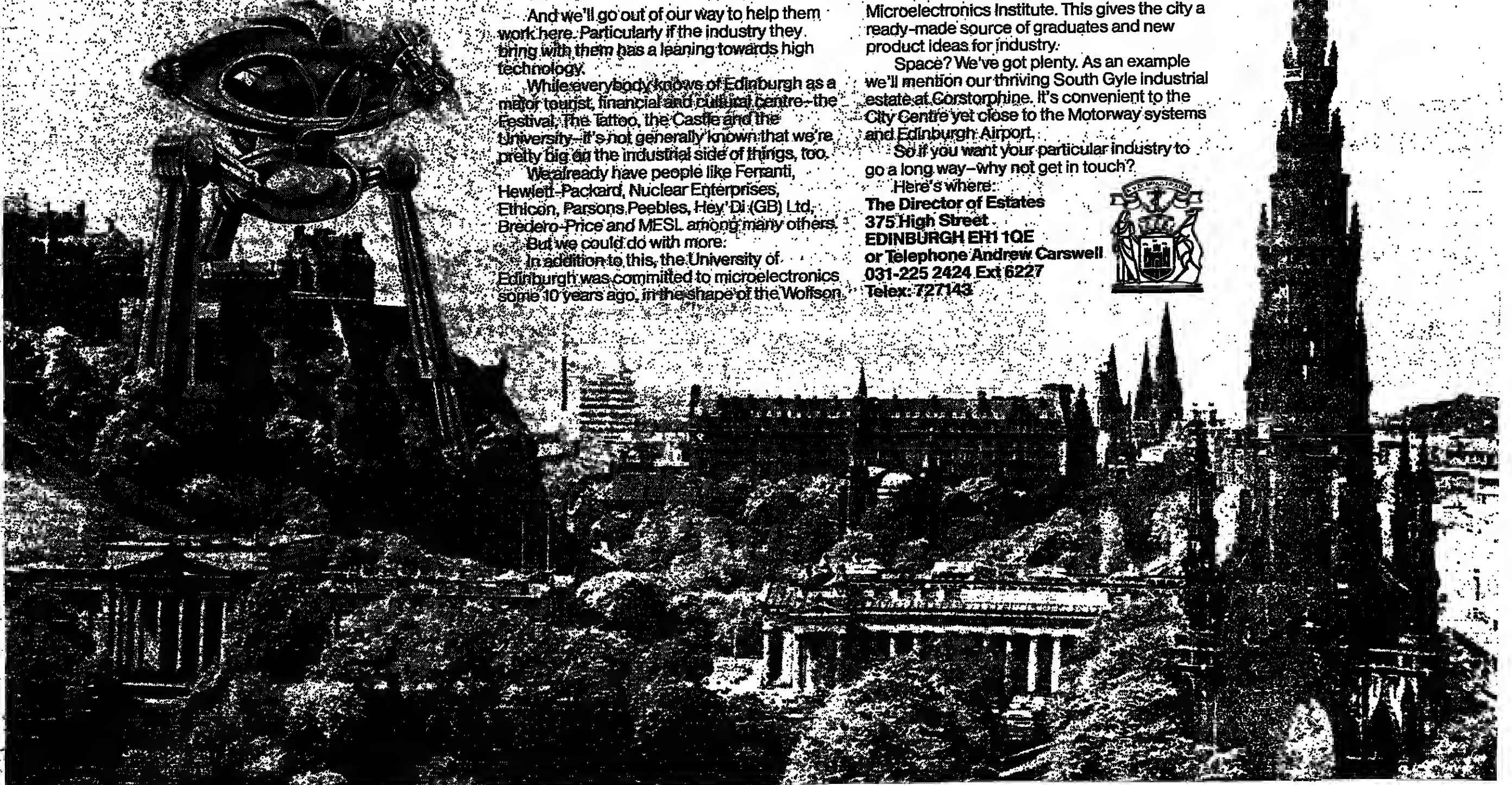
In addition to this, the University of Edinburgh was committed to microelectronics some 10 years ago, in the shape of the Wolfson

Microelectronics Institute. This gives the city a ready-made source of graduates and new product ideas for industry.

Space? We've got plenty. As an example we'll mention our thriving South Gyle Industrial estate at Corstorphine. It's convenient to the City Centre yet close to the Motorway systems and Edinburgh Airport.

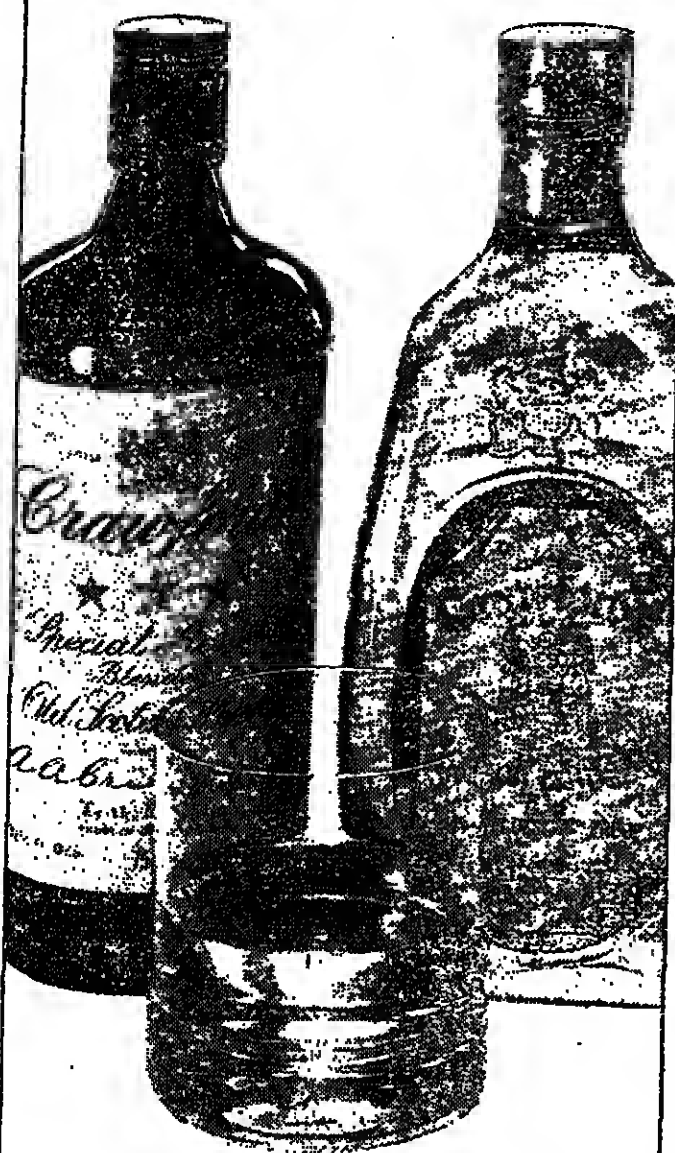
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EDINBURGH II

Goes down well with financial wizards!



Keen demand for limited building space

A COMBINATION of factors makes Edinburgh a difficult market for everyone involved in property, from planners and builders to agents and occupiers. On the one hand the importance of the city as an administrative and commercial centre means that demand is high, particularly in the central area; but on the other its importance historically and architecturally means that the supply of development space is tight.

The character of Edinburgh puts constraints on all types of property development. There are so many listed buildings, often with restrictions on what can be done inside as well as outside, that demolition or extensive exterior remodelling is often out of the question. Gap sites, where there are no buildings, are in hot demand and usually considerable ingenuity is required to get the best from them.

Nowhere is this more true than in the commercial and retailing heart of the city, the New Town, George Street and Charlotte and St Andrew Squares, which it links, are the main locations for offices in the city centre, particularly for banks, building societies, insurance companies and other financial institutions. Yet they also contain some of the city's finest buildings. Consents for demolition have been rare. Standard Life being the most recent recipient of one for the extension of its head office, and the more usual course has been to rebuild behind a preserved facade or to refurbish, often at higher cost than straight demolition and rebuilding.

Restraint

The District Council operates a policy of restraint on the amount of office building in the city centre, partly as a way of relieving the pressure on the historic buildings and partly to try to preserve residential accommodation in the inner area.

The Central Area Office Restraint Policy, adopted by the then City Council in 1973, restricts office growth except where an owner or occupier can show overriding need to be located in the inner area, or that the rehabilitation of an existing building would involve extraordinary cost. Even then, the extension of floor area is restricted to an extra 10 per cent over 1978. The council also identified

some outer city sites where office development would be encouraged. These included South Gyle, where there is already an industrial estate, Leith and Nether Liberton. But enthusiasm to go there, both by developers and tenants, has been markedly lacking.

There have also been one or two sites on the fringes of the central area where office development has been permitted. One block near Haymarket Station, in the west end of the city, is nearing completion and should be ready for letting later this year, although British Rail has run into delays with the redevelopment of the station itself, and the district council itself is proposing to develop the 14-acre former goods yard on Lothian Road. Present plans include a 1,500-seat conference centre and a hotel, but the Distillers Company is also to be allowed to build a new headquarters office block there.

A few companies have found the confined space and the planning regulations too restricting and have preferred to leave the city centre altogether, but they are relatively rare. Another life insurance company, Scottish Widows, has been the most prominent example recently, leaving St Andrew Square, the area where most of its competitors are based, for the freedom of a site two miles south where it has moved into spacious modern offices with green glass frontage, pools and fountains, that would be unthinkable in the city centre.

The building Scottish Widows vacated, one of the oldest in the New Town, has been gutted and is in the process of being rebuilt as new Scottish headquarters for IBM. Lettings in the city centre have traditionally maintained a relatively high level, although 1979 saw some tailing off, partly as a reaction to the exceptionally high levels of the previous few years, but probably also because of the generally poorer economic situation, which particularly affected Government departments. This bit out-of-centre locations more than those in the centre and the difference was so marked that agents Strutt and Parker commented in their last quarterly office survey that a two-tier market was developing.

Total lettings for last year appear to have been only 60 per cent of the figure for 1978, but 55 per cent of the space

that was taken up was located within the inner area. Rents have been slowly creeping up for a number of years and at the top end of the scale have reached £450-£5 a square foot for new or refurbished accommodation in the centre.

In retailing, the trend to move towards the centre has been similar, apart from some suburban supermarket developments by firms like Asda and Fine Fare. Princes Street, the main shopping street in Edinburgh, has become more crowded and expensive while North and South Bridges and Lothian Road (respectively at the east and west ends of Princes Street) have declined in popularity.

At a premium

Space in Princes Street is at a premium, although the architectural restraints are not so acute as in George Street since most of the original facades were removed in the late 18th and early 20th centuries. Rents have reflected the tight supply, and the competition for space has spilled over into the areas immediately adjoining, particularly Shandwick Place and the new St James' Centre.

The only significant vacant site in Princes Street is the old Waverley Market next to the North British Hotel. It is owned by the District Council, which recently indicated it was going to develop, probably for mixed use, including shopping, some offices (probably for its own use) and a new tourist information and accommodation bureau. Its location must make it one of the best available sites anywhere in the UK, but as it is on the south (that is the unbuild) side of Princes Street, there are legal restrictions on any building there. The main access will have to be via Waverley Bridge and there will be no frontages directly on to Princes Street because no development is allowed to interrupt the view of the Castle skyline.

Housing continues to be an important sector of the property market, but again new building has been restricted by the availability of sites. The District Council's planning department recently published a comprehensive guide to all parcels of land which are vacant or likely to become so and which are, or will be, zoned for housing. The object is to ensure a balanced development between

SURVEY OF NEW INDUSTRIAL AND WAREHOUSE ACCOMMODATION DECEMBER 1979

Site	Developer/Owner	Vacant/Under construction (sq ft)	Additional units that could be developed (sq ft) per sq ft	Remarks/Remarks
Edinburgh				
Stenhouse Stadium	Lamont Holdings	40,000 (from 2,900)	NH	Summer 1980 £1.30
Gorgie Road				
South Fort Street	Miller Developments	NH	50,750	Construction still to commence
Newhaven Road	Scottish Metropolitan Property Company	NH	20,000	£1.65 Construction to commence shortly
South Gyle	Laing Properties	30,000 (from 6,500)	30,000	Available new £1.10
Sighthill Industrial Estate	Standard Life	65,000 (from 5,000)	NH	Available new £1.10-£1.15
West Shore Road, Granton	MDW Developments	40,000 (from 5,000)	NH	Available September 1980 £1.85
West Harbour Road, Granton	Town Centre Enterprises	80,000 (from 5,000)	NH	Available September 1980 £1.85
Peffermill Road	Scottish Development Agency	12,500 (1 at 2,500; 1 at 10,000)		Available new £1.90-£2.2
Newcraighall Road	Miller Developments	14,000 (from 2,500)		Available new £2
Newcraighall Road	Rowlinson Construction	43,000 (from 11,000)	140,000	Available new £1.20
South Gyle	MDW Developments	25,000	23,000	Available early 1980 Min. £1.75
Seaford	Laing Properties		40,000	
West Bowling Green	MDW Developments	5,000	NH	£1.65
West Bowling Green	London and Clydeside Properties	7,500 (from 2,500)	NH	Available new £2
Orwell Terrace	Teesdale Development Company	22,500 (from 7,000)	NH	Available September 1980 £1.30
7/9 Newhaven Road	Miller Developments	23,200 (from 5,000)	NH	Available September 1980 £1.85
Leith Walk Trading Estate	MDW Developments	24,500 (from 7,300)	15,900	Available September 1980 £1.25
Out of Edinburgh				
Straiton	Dobson of Edinburgh	NH	150,000	Sites for ground lease only
Clifton (Newbridge)	Barclays Trust Company	50,000 (from 7,000)	100,000	Available new £2.25
Broxburn, East Mains	Drum Developments	64,000 (from 4,000)	NH	Available February 1980 £1.60
Livingston New Town	Hanover St George Securities	104,400 (from 3,100)		Average gross rental £1.85
TOTAL		650,000 sq ft	580,650 sq ft	

Source: Kenneth Ryden and Partners, Edinburgh Office.

The District Council and other public bodies such as the Scottish Special Housing Association, private housing associations and private builders. The pressure on new housebuilding is expected to be steady, since although the population of Edinburgh is falling, so too is the average family size, hence the number of households is increasing.

Edinburgh's growing tourist trade has provided a spur to the hotel building. At the moment the city lacks a five star hotel, but there are proposals to provide it with two. British Transport Hotels has plans to extend and upgrade its Caledonian Hotel, at the west end of Princes Street from four star to five, and the District Council wants to see a five star hotel built on the Castle Terrace site, which was once to have been the location for a city opera house. Ladbroke's is currently building a smaller hotel in and around an old mill in the Dean Village, a few minutes walk from the city centre, and International Caledonian Assets has been given consent for another a short distance away in the same area.

Oil revives Leith's fortunes

THE PORT of Leith is the largest on the east coast of Scotland and in the top half dozen in Britain. Its prosperity is an important factor in the continued thriving of Edinburgh as a centre of trade and commerce.

But it was not always so. Ten years ago Leith was facing a crisis that could easily have led to its closure. As shipping declined, a number of lines withdrew their services between the port and Scandinavia and Europe in favour of ports on the east coast of England which were nearer the larger markets of the South East. Leith was losing £500,000 a year and there were suggestions that as an economy measure its new lock—opened in 1969 to permit vessels of up to 30,000 dwt to use its docks and harbours—should be operated on a tidal basis.

Mr. John Sutton, managing director of the Forth Ports Authority, remembers that period as the nadir in the fortunes of Leith. He joined the authority in 1971 and his early tasks were preventing the further rundown of the facilities, which would have made it even less attractive to shipowners, and holding on to the remaining traditional business, the handling of bulk cargoes.

The turning point came shortly afterwards when the oil finds made in the North Sea began to be proved commercial, and development companies began the search for supply and service bases. Although further from the fields than either Aberdeen or Dundee, Leith and the Firth of Forth had a lot to offer.

For all the wrong reasons Leith had a lot of space vacant in sheds and areas of land near the docks, which was what the oil industry wanted. It was also near the seaward end of the Forth estuary, where there was deep water and safe anchorages for repairs and refitting of rigs and the loading of modules and other structures," Mr. Sutton says.

"We could never compete with Aberdeen for the everyday side of the oil business, but for activities where it was not so important to be so close to the fields and which needed some space, Leith was attractive. The oil business enabled the port to pull itself up by its boot straps."

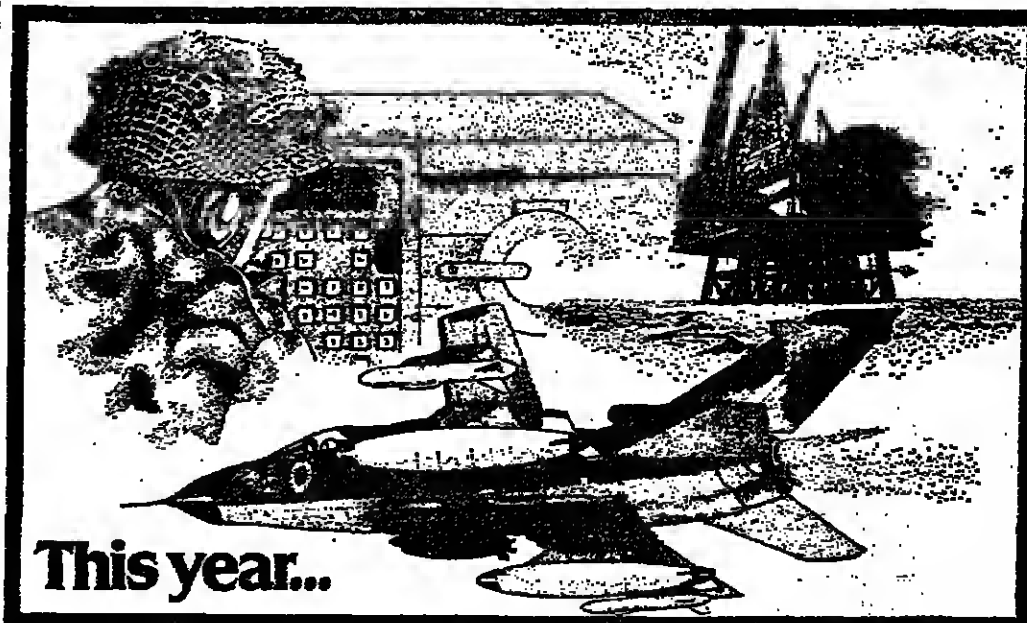
Leith now has a varied mixture of oil related business. The Motherwell Bridge engineering group has a module construction yard on land by the Western Harbour, next to the pipe coating plant of British Pipecoaters, a British Gas Corporation subsidiary which has recently spent £4m installing equipment to enable it to apply thin film epoxy coatings. Leith is also the base for a

pipe-spooling ship, the £15m Apache, owned and operated by Santa Fe UK. A remarkable-looking vessel, she can lay continuously welded pipe from a huge drum mounted amidships. There is also a number of supply companies and chandlers using the port, such as Theriot Overseas Services and Continental Shelf Supply, and the submarine operator British Oceanica.

The rise of offshore work has given Leith the revenue to help modernise the facilities it offers to ship operators and other users of the port. This has come not only from the increased use of the port itself, but also from the revenues from rigs using anchorage points in the Firth of Forth to refit or re-equip, and from the use of BP's Hound Point terminal, an

off-shore loading point close to the Forth road and rail bridges. Hound Point is one of the principal exporting points for North Sea oil, and last year 90m tonnes of Forties crude passed through it via the Grangemouth refinery. Tankers of up to 287,000 dwt use the terminal, but Mr. Sutton says that in the three years it has been open there has been only one spillage

CONTINUED ON NEXT PAGE



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EDINBURGH III

هكزامن النحل

Service industries continue to dominate employment

"MERCIFULLY, Edinburgh has almost no manufacturers," wrote Lord Cockburn, the city's most famous diarist, in 1849. "Some strange efforts have occasionally been made to coax these things to us, but a thanks-deserving Providence has always been pleased to defeat them."

Whatever Lord Cockburn believed, Edinburgh once had a fairly substantial manufacturing base but the trend over recent years has been for it to decline in favour of service activity, particularly in public administration and finance. The extra-terrestrial power which was apparently working 130 years ago is clearly still active in trying to thwart the attempts by the local authorities to redress the balance.

Professor Norman Hunt, in a report for the City Council in 1968, estimated that half the 213,000 people working in Edinburgh were involved in industrial activity of some kind: either manufacturing, the primary industries, construction, public utilities or transport. The most likely figure now is probably a quarter.

The decline in manufacturing employment has been far faster than in Scotland as a whole.

Some 29,000 jobs, 30 per cent of the total, were lost between 1964 and 1974.

The two local authorities — Edinburgh District and Lothian Regional Councils — have policies favouring the growth of manufacturing, but it is an uphill task trying to make them work. On the one hand there is what Mr. Bob Shanks, the region's industrial development officer, describes as "the hardy myth" that Edinburgh is not an industrial city and, on the other, the fact that the recent change in the regional aid structure will mean that it will be at a considerable disadvantage compared with other areas of Scotland, notably Glasgow and the West, when trying to attract new industry or encouraging existing firms to expand.

From July 31, Edinburgh is to lose its development area status, but the rules are so tightly drawn that the shutter is effectively already down on applications for grants on buildings and equipment. In quality for the 20 per cent grant payable up until now, companies will have had to have completed new factories (half-finished buildings will not receive grant aid) and taken delivery of any

new plant and equipment by the set date.

With only five months to go before the deadline it is obviously too late for new projects to qualify.

Mr. Shanks is clear what this will mean to the city: "Industry's cash is under intense pressure and there is already a brake on investment. If you withdraw the incentive — and 20 per cent is a real incentive — it is bound to cut back hard on expansion by firms."

Unassisted

Edinburgh has already once experienced the effect of being at a disadvantage in the industrial attraction competition. From 1972 to 1974 the city was unassisted while the surrounding counties qualified for development grants. Several major firms moved out, including Edinburgh Crystal, the glass manufacturer, Uniroyal Tyres and Drumbule, the liqueur maker.

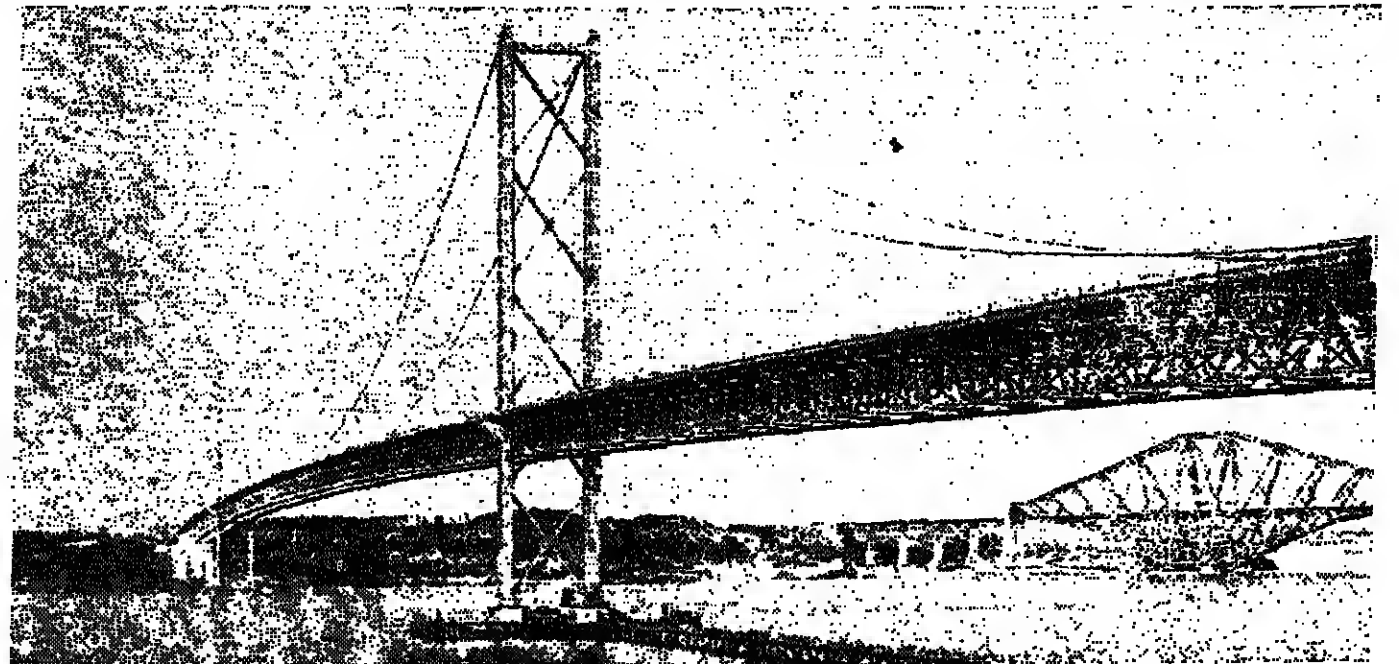
Now there are signs that the same thing might be happening again. Ferranti, one of Edinburgh's major employers, recently announced that its Cefax computer graphics division would be moving to Livingston New Town. It was made

clear by the management that the higher level of financial assistance available there was a big factor in the choice of location.

Many areas which are harder hit by industrial problems may think that the city's concern is exaggerated. The service sector contribution to the Edinburgh economy is growing and there are important advantages to being a capital city with a strong educational base. Unemployment has always been low compared to the national average. The latest figure, for example, is 6.6 per cent, compared to a rate of 9 per cent for Scotland as a whole.

What manufacturing industry remains in Edinburgh is mainly in growth industries. Ferranti, the largest electronics employer in Scotland, came to Edinburgh during the war to make gyroscopic sights for Spitfires and has stayed, developing increasingly sophisticated electronic aids for defence forces.

Ferranti's influence on the city has been great. It has provided employment for many of the sciences and engineering graduates from the two universities and many colleges (Edinburgh has three times the proportion of scientifically and



The Forth road and rail bridges—Edinburgh's gateways to the North

technically qualified staff employed in manufacturing found in Scotland as a whole). And it has spawned, either as a result of management initiative or through ex-employees, numerous small firms in electronics and precision engineering.

Other major electronics firms in the city include Hewlett-Packard, the California-based instrument maker, which has recently announced an expansion of its plant just outside the city of South Queensferry. Racal-MESL, which makes a wide range of microwave and electronic products, and EMI Nuclear Enterprises, specialists

in medical equipment. These last two were small firms developed in Edinburgh and later taken over by major UK groups.

Edinburgh was traditionally associated with "beer, books and banking." Beer and banking have remained prime employers, although printing is now less important than it once was and has become highly specialised.

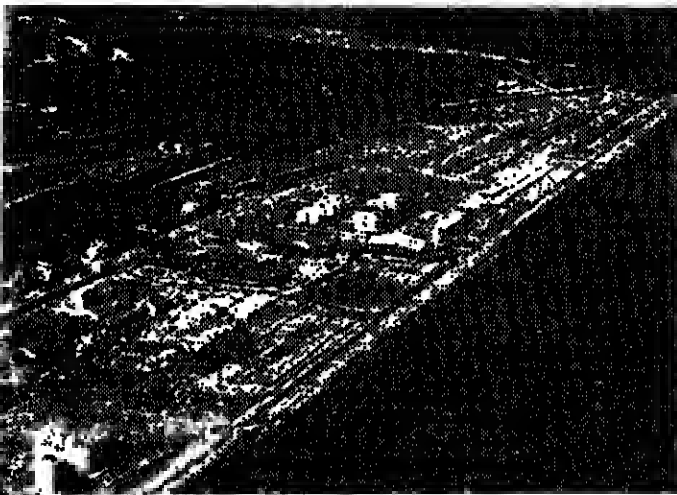
Brewing is probably the largest manufacturing industry in the city with a dozen or more individual breweries operated by Scottish and Newcastle, Tennant Caledonian, Usber-Vaux and Drybrough.

There are two major grain distilleries, owned by Scottish Grain Distillers and the independent group, North British Distillery, and a number of whisky blenders, bottlers and bonded warehousemen.

Engineering is a small, but specialised industry. Brown Brothers, a Vickers subsidiary, is a market leader in the manufacture of ships' stabilisers, Miller and Co., part of the Johnson and Firth Brown steel group, makes steel rolls for papermaking, and the Robb Caledonian shipyard is at Leith. One of the smallest yards in the nationalised industry, it has survived the world shipbuilding crisis by specialising in small

vessels such as ferries, crane lifters and supply ships for Trinity House.

Service activity is not only confined to banks and financial houses. Tourism has been steadily growing in importance and last year brought an estimated £70m in revenue to the city. The District Council encourages the trade by providing information and an accommodation service and by looking for new types of business to extend the season into the spring and autumn. The city is also growing as a conference centre and in 1979 hosted 300 conferences.



Leith, looking towards the Western Harbour. The fertiliser depot and the pipe coating plant are in the foreground.

Leith's fortunes

CONTINUED FROM PREVIOUS PAGE

of four tonnes and that was cleaned up before it came to public notice.

Mr. Sutton is adamant that Leith has not gone out to attract oil-related business at the expense of its traditional customers. Some £800,000 was spent in 1978-79 increasing the handling speed of the grain elevators which serve the whisky and animal feedstuffs industries by 60 per cent. The two flour mills, operated by Rank Hovis McDougall and Chancelor Mills, on the Western Harbour use their own discharge equipment and storage silos.

A similar amount has been spent on loading gear for coal, to be used by the National Coal Board to export Scottish coal to the power stations of South-East England. The plant can load at up to 3,000 tonnes an hour and is suitable for other types of bulk cargo besides coal. The ICI subsidiary, Scottish Agricultural Industries, and Fisons Fertiliser, which also has a base at Leith, use the port to import phosphates and other bulk cargoes and to export fertiliser in palletised shipments.

New types of bulk cargoes have also been attracted to the port, including timber from Canada and wood pulp from the Mississippi for the paper industries of Fife and the Lothians. And Leith is benefiting from a resurgence in the liner trade, only now it is passenger rather

than cargo ships that call, taking advantage of Edinburgh's attractions as a tourist centre.

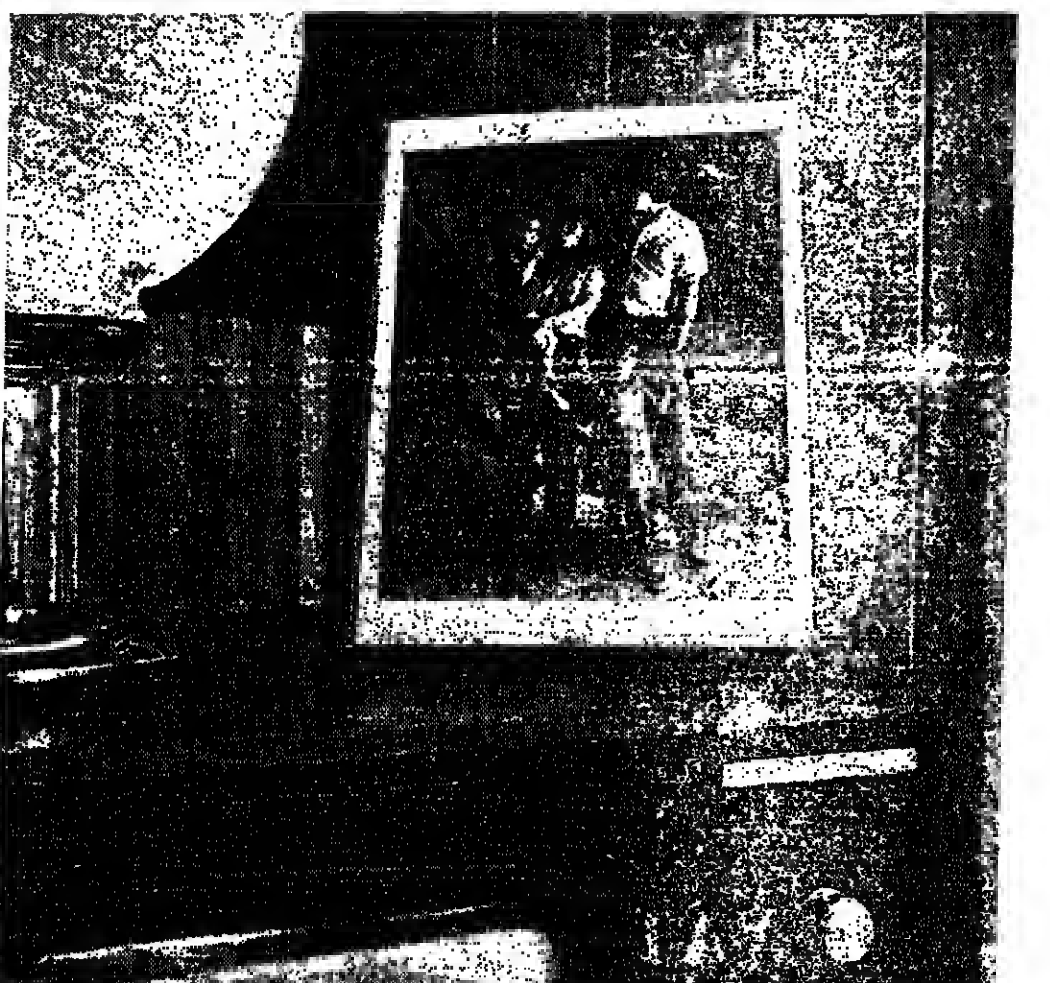
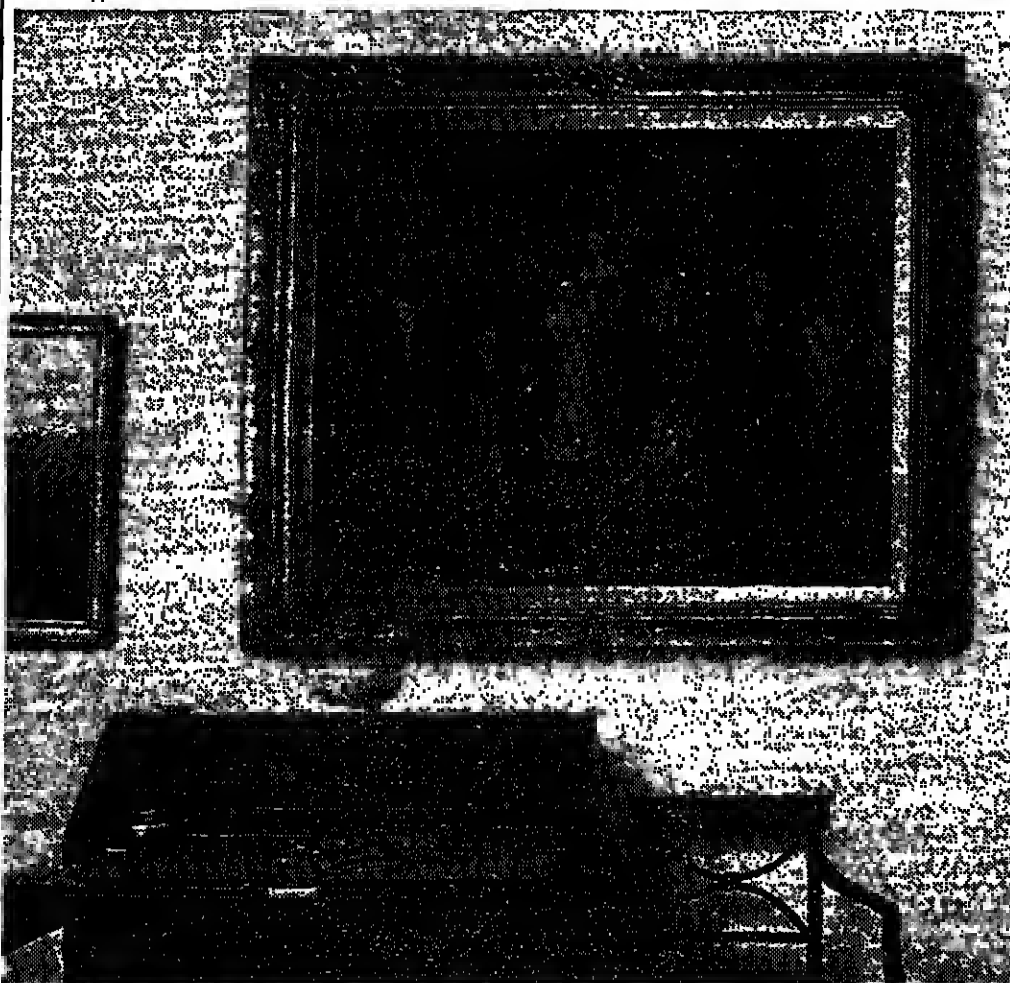
Cash has also been spent outside the port itself, improving the navigation and safety services. The Forth Navigation Service has complete radar coverage of the estuary from its stations at Leith and Port Edgar and ships carrying hazardous cargoes are segregated from other vessels. The complete accident records of any tanker using the Forth can be obtained within minutes by using a computerised central record service in the U.S.

Modernising

"We are modernising our facilities all the time," Mr. Sutton says. "We have to admit that there is a lot of obsolescence left in Leith, but it is being removed."

The expansion of Leith has not much further to go. Some land is being reclaimed from the Western Harbour and there is some space at Granton, a small neighbouring harbour, but generally areas for development are at a premium—changed days from the beginning of the last decade.

To underline the turnaround undergone by the port one only has to look at the financial figures: the estimated surplus for 1979 is £500,000, by coincidence the same sum the port was losing 10 years ago.

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necessarily guarantee a glowing future, you could hardly be blamed if you've got the impression that we know what we're doing. It's hard not to after a century and a half. As for the future, well—one thing's sure. If you base yours on ours, we'll keep it in the family.

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AND THE FORTH
ONE OF SCOTLAND'S MAJOR
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Edinburgh lies on the Firth of Forth — the sheltered deep water estuary that penetrates into the industrial region containing 90% of Scotland's manufacturing capacity.

Leith (the Port of Edinburgh), Grangemouth and the other busy Forth Ports have extensive container, roll on/roll off, conventional general cargo and bulk handling facilities, regular services worldwide and a strong base in the North Sea oil industry. They are therefore ideally placed to serve Scotland and the North of England—with excellent road and rail links to all parts of the U.K.

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Danish plea for farm loan relief

By Hilary Barnes in Copenhagen
DANISH FARMERS are threatening a production and delivery strike from March 26 unless the Government puts forward satisfactory proposals for the relief of the industry's financial problems by then.

The strike call was made at a mass meeting attended by about 5,000 farmers in Herning, Jutland, yesterday under the auspices of a protest organisation called Agricultural Reform 1980.

Mr. H. A. O. Kjeldsen, president of the Agricultural Council (the umbrella organisation for the farmers' official organisations) called on the Government to agree to re-finance at lower interest rates about 2,000 of the worst hit loans taken up by farmers since 1974 to finance increased production.

The Government has already agreed to provide state guarantees for bank loans to enable about 2,000 of the worst hit farmers to raise additional loans, but the farmers are still negotiating with the Government for more far-reaching relief.

Interest rates on both long and short term loans today cost 19 to 20 per cent. This is one of the most serious problems faced by the farmers in addition to the fact that production costs over the past two years have risen considerably faster than producer prices.

In a television interview on Tuesday, Minister of Agriculture Poul Dalsgaard said that the situation was so serious that many of the most productive farmers in the country were at risk. These are the young farmers who have invested heavily in new production apparatus since Denmark joined the EEC in 1972.

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Volatile coffee prices forecast

ROME—World coffee production during the 1979-80 crop year is forecast to rise only by about 2.7 per cent to 4.35m tonnes, and with such tight supply, prices are likely to remain volatile, says the United Nations Food and Agriculture Organisation, FAO, said.

The forecast was made in FAO's annual Commodity Review and Outlook, out yesterday and based on information available up until December, Reuter

Moves to safeguard mackerel stocks

BY RICHARD MOONEY

MEASURES TO prevent the catching of immature mackerel off Britain's South-West coast will be imposed from Monday, Mr. Alick Buchanan-Smith, Minister of State for Fisheries, told the House of Commons yesterday.

Following dramatic catches in recent years, mackerel has become Britain's most important fish catch, in terms of both volume and value. Last year's catch was estimated at about 300,000 tonnes, more than 35 per cent of the total for all species and most of these were caught in the South-Western approaches.

There has been widespread concern that this level of fish-

ing could threaten the survival of mackerel stocks, especially as a large proportion of the fish caught are immature. There have been reports that large quantities of mackerel are dumped at sea because they are too small even for the factory vessels, mostly from Russia, which buy the fish at sea for processing into fish meal for animal feed.

Mr. Buchanan-Smith said the use of small-mesh nets and the highly "efficient" purse seine nets would be forbidden in a 4,000 square mile area off the west coast of Cornwall from March 17 until November 17. He said this step had been taken in

the advice of international scientists who said it would increase the long term yield from the entire western stock, including the Minch Fishery.

The British Fishing Federation said this was a "sensible measure." British fishermen are expected to be harassed from mackerel fishing in the area throughout the period in question but the restrictions would prevent the "worst excesses" of the foreign fishermen who will still have access to the mackerel grounds, a Federation spokesman said.

The mackerel tend to get larger through the summer but the ban may prevent too many smaller fish being taken

during the early part of the season when the fishery is reopened to the British next autumn, he added.

Mr. Peter Walker, Minister of Agriculture and Fisheries, is due to make a statement in the House on fisheries today when he is expected to announce financial aids for Britain's hard-pressed fishing industry. But fishermen are not optimistic about the scale of the aid to be offered. "It will probably be ten little and one big," the BFF spokesman said.

There is also a suspicion that the money is to be offered as a "window-dressing" ahead of Mrs. Thatcher's visit to Hull tomorrow.

Profit-taking curbs sugar prices

THE WORLD sugar market continued its uncertain mood yesterday with sharp early gains being virtually wiped out by the end of the day.

In the morning the London daily raw sugar price was marked up £15 to £220 a tonne and the May position on the London futures market gained another £22 in follow-through buying from Tuesday afternoon's rise. But the upward movement was not maintained and the May price ended the day only £3.05 up at £226.275 a tonne. Dealers said the fall was prompted by profit-taking sales and was later encouraged by relatively low priced physical

sales in Middle Eastern countries and Pakistan. In Brussels the EEC authorised 87,250 tonnes of white sugar for export with a maximum rebate of 11.701 European currency units at its weekly tender. Last week only 1,000 tonnes was authorised and the rebata was set at 4.138 ECUs.

Dealers said this week's rebata equated to an FOB price of \$508 a tonne, which appeared cheap compared with \$5 Paris May futures price of around \$520 a tonne.

In Washington the House of Representatives has approved a Bill to implement the International Sugar Agreement. Now

the Bill must be passed by the Senate before it can be sent to President's signature and the U.S. can participate fully in the Agreement, to require members sending sugar to the U.S. to show documentation proving that they have contributed to an international stockpile fund and to make certain record-keeping rules.

The pact was negotiated in 1977 but the U.S. had been prevented from passing legislation enabling it to play a full part because of the need to pass domestic sugar legislation first.

Cocoa market confused

BY JOHN EDWARDS, COMMODITIES EDITOR

CONFUSION reigned in the cocoa market yesterday when Brazil denied that it had suspended exports of cocoa beans and products.

The foreign trade department of the Banco do Brasil, which controls the country's cocoa exports, said it was prepared to consider selling at above the minimum price of 137 cents a lb (equal to 150 cents a lb cif Europe) set on March 3.

It admitted, however, that there was unlikely to be many buyers at that level, bearing in mind that the world market price is much lower. Brazil, like other producers, is believed to be waiting to see what happens at the talks going on in

London this week to renegotiate the International Cocoa Agreement that expires at the end of this month.

So far, according to the chairman of the cocoa conference, little progress has been made at the talks. Producing countries have stuck by their proposal that there should be a minimum price of 120 cents a pound.

This was rejected by consumers in November, who suggested a "floor" of 100 cents at that time. Yesterday talks broke down in the morning when producers said there was little point in discussing consumer proposals without knowing what price levels consumers would agree.

At the end of this week the International Cocoa Council will meet to decide whether it is worth holding another negotiating conference or whether to extend the current agreement again. It is thought some producers might press for the Agreement to be discontinued so that the buffer stock funds of over \$200m becomes available for market support operations like the Bogota Fund for coffee.

However, in spite of constant reports of cocoa stockpiling by producers to raise market prices, it is far from certain that all producing countries would agree to use the accumulated buffer stock fund for this

Base metals rally

BASE metal prices rallied again on the London Metal Exchange yesterday recovering some of the heavy losses suffered on Monday. The upturn was encouraged by the rise in precious metals, led by gold, and the feeling that Monday's selling may have been overdone. Copper cash wirebars closed £36 up at £1,075 a tonne and moved further up in the metal deal. This followed a firmer trend in the New York market overnight and moves by U.S. producers to raise their domestic copper selling prices by 5 cents to \$1.10 a lb.

Cash tin gained £100 to £7,995 a tonne, in spite of a huge fall in the Penang market overnight of M\$81. This cut the Straits tin price to M\$2,320 a picul (133.5 lbs) compared with an all-time peak of M\$2,471 less than a week ago.

Reuter reported that the International Tin Council meetings in London has deferred until today consideration of a producers' proposal for an increase in the International Tin Agreement price range. This is expected to meet strong opposition from some consuming countries, who do not consider an increase is justified at this stage. Bolivia yesterday reiterated its opposition to any sales of surplus stockpile tin to the U.S. But these are likely to go ahead in July, and meanwhile the Council will have to work out how to deal with the 5,000 tonnes of tin stored by U.S. as its voluntary contribution to the buffer stock.

Soviet grain surplus forecast by FAO

NEW DELHI—In spite of the U.S. grain embargo the Soviet Union will still have a small grain surplus this year, according to the United Nations Food and Agriculture Organisation (FAO) said.

Food should be used as a weapon against hunger, Mr. Somojai added. He said the Soviet shortfall in grain production was about 50m tonnes. But existing reserves, imports from the U.S. arranged prior to the embargo and purchases from Canada and Argentina would give Russia a surplus of about 18m tonnes.

Mr. Somojai said his information was based on figures provided by Soviet Officials. He said that the Soviet Union needs 42m tonnes for direct human consumption, 120m for livestock and 50m for industrial uses.

Mr. Somojai said the proposed world food security system did not get much support from representatives of rich countries at the three-day conference here, attended by 154 delegates from 24 nations.

He said that the world food security plan approved by the U.N. general assembly last year, includes the following points:

- Each country must have stocks or surpluses equal to 18 per cent of its total consumption of cereals.
- Developing countries need assistance from rich nations for only for imports at concessional rates but also of grants

Commission warning to UK farmers

By John Cherrington, Agriculture Correspondent

A WARNING that British farmers should no longer expect that the Green Pound will offer in the future the rapid price increases that it has offered in the past, was given by Mr. Graham Meadows adviser to EEC Commissioner Finn Gundlach, when he addressed a conference of the National Agricultural Centre yesterday.

Farmers must now learn to live largely within the means provided by the unit of account price increases, he said. The farmer becomes more dependent on these prices under a policy of price moderation which will continue because of chronic surplus levels in several markets.

Meadows advised UK farmers that their best approach would be to try to meet problems as and when they arose in a piecemeal manner. In a Community which is built on compromise this would always lead to having to make do with measures that suited someone else better. It must, therefore, be accompanied by a medium-term political strategy worked out on as wide a basis as was possible, with all interests concerned included, even the trade unions.

Mr. Meadows did not think that there was any real difference between a redundant steelworker and a redundant farmer. It did not suit the overall economic strategy of the EEC.

UK animal feed output up

UK PRODUCTION of compound animal feed reached a record level last year. Statistics compiled by the UK Agricultural Supply Trade Association (UKASTA) show that production of all types of animal feed rose by 1.6 per cent to 11,643,000 tonnes in 1979.

AMERICAN MARKETS

NEW YORK, March 12. COLD ADVANCED on dealer and commission buying, but was overshadowed by the growing belief that Carter's anti-inflation package will be ineffective. Silver was 5.04-5.05, the spot month, and copper closed lower on trade selling. Coffee was higher on light commission house buying when cocoa was lower on a general lack of buying interest. Sugar was limited down on the lack of trade support. The livestock complex was mixed with pork bellies showing sharp gains on short-covering and trade buying. The grain and soyabean complex was mixed, reported Henold.

March 12, 1980. Metals: Aluminum 201.0-201.5, Copper 87.1-87.5, Gold 329.5-330.0, Silver 5.04-5.05, Tin 111.0-111.5, Zinc 111.0-111.5. Grains: Wheat 2.25-2.26, Corn 1.10-1.11, Soybeans 11.00-11.01, Cotton 50.00-50.01, Rice 10.00-10.01, Sugar 16.00-16.01, Coffee 1.10-1.11, Tea 1.10-1.11, Cocoa 1.10-1.11, Rubber 1.10-1.11, Leather 1.10-1.11, Wool 1.10-1.11, Hides 1.10-1.11, Furs 1.10-1.11, Pearls 1.10-1.11, Gems 1.10-1.11, Metals 1.10-1.11, Grains 1.10-1.11, Cotton 1.10-1.11, Rice 1.10-1.11, Sugar 1.10-1.11, Coffee 1.10-1.11, Tea 1.10-1.11, Cocoa 1.10-1.11, Rubber 1.10-1.11, Leather 1.10-1.11, Wool 1.10-1.11, Hides 1.10-1.11, Furs 1.10-1.11, Pearls 1.10-1.11, Gems 1.10-1.11, Metals 1.10-1.11, Grains 1.10-1.11, Cotton 1.10-1.11, Rice 1.10-1.11, Sugar 1.10-1.11, Coffee 1.10-1.11, Tea 1.10-1.11, Cocoa 1.10-1.11, Rubber 1.10-1.11, Leather 1.10-1.11, Wool 1.10-1.11, Hides 1.10-1.11, Furs 1.10-1.11, Pearls 1.10-1.11, Gems 1.10-1.11, Metals 1.10-1.11, Grains 1.10-1.11, Cotton 1.10-1.11, Rice 1.10-1.11, Sugar 1.10-1.11, Coffee 1.10-1.11, Tea 1.10-1.11, Cocoa 1.10-1.11, Rubber 1.10-1.11, Leather 1.10-1.11, Wool 1.10-1.11, Hides 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Equities turn nervous ahead of Monday's settlement

30-share index falls 10.7 to 444.9—SA Golds recover

Account Dealing Dates
Options
First Declared Last Account
Dealings (100s) Dealings Day
Feb. 25 Mar. 6 Mar. 7 Mar. 17
Mar. 24 Apr. 20 Mar. 27 Mar. 31
Mar. 24 Apr. 20 Mar. 27 Mar. 31
Mar. 24 Apr. 20 Mar. 27 Mar. 31

It was the turn of leading equities yesterday to show nervousness as the market in South African Gold shares regained some composure after Tuesday's tumble. Leading shares gave no indication at the opening of the weakness to follow, although selling of selective top-quality stocks from a broker's house heard about the market's short-term prospects had caused values to ease slightly.

Acute disappointment with Turner and Newall's annual profits of £27m compared with forecasts ranging from £38m to £58m accelerated the downturn, and the slump deepened progressively as the market showed no signs of a rally. The only solid reason to emerge to account for the sudden collapse of confidence was the lack of concern about the recent share losses sustained in secondary oils and Australian exploration issues.

Not unnaturally, potential buyers went to ground and the ICI chairman's forecast of negative UK growth this year put a further strain on sentiment. Some leading industrialists tried to pull away from the lowest in the late trade but the FT 30-share index, which had registered a loss of only 0.1 at 10.00 am, closed 10.7 down at 444.9, its lowest for eight weeks.

Yesterday's rally in the gold price triggered a revived overseas and local interest in South African producers of the metal. Although best values were not always held, selected heavy-priced stocks registered as much as 13 points of the previous three-day slide which had taken the FT Gold Mines index down 10.7 points, yesterday, it regained 12.2 to 310.8.

With the continuing strong demand for bank credit counteracting last month's slowing to monetary growth, Government securities remained in a pre-Budget vacuum and drifted a shade easier during a slow trade. Longer-dated issues generally closed about 1 off, while the shorts were often 7 cheaper.

Activity in traded options remained relatively subdued with 540 contracts completed. This compares with the previous day's 494 and last week's daily

average of 772. The lion's share of yesterday's business was transacted in Racial which attracted 218 trades.

Antony Gibbs firm
Antony Gibbs hardened 2 to 84p in merchandise banks on hopes of early news of the Hongkong and Shanghai bid approach. Corbion eased 2 to 30p and Clive remained friendless at 47p, down a penny, in discounts. The major clearers drifted lower for want of interest with Midland 4 off at 332p ahead of tomorrow's preliminary results. Lloyds also relinquished 4 to 325p and NatWest dipped a couple of pence to 324p. Hire Purchases trended lower, UDT cheapening a penny to 54p and Lloyds and Scottish 2 to 126p.

Brianne touched 182p before closing a net 2 better on balance at 180p following the slightly better-than-expected annual results. Elsewhere in insurance, Sedgwick, Forth, at 85p, gave up half of the previous day's rise of 4 following comment on the results. GRE lost 4 to 236p.

Fresh speculative interest was shown in Montague L. Meyer moved up to 122p before settling at 118p for a fall of a penny. J. O. Walker, in which Montague L. Meyer has an interest, came to close 4 higher at 118p. Elsewhere in Timbers, Magnet and Southern rose 5 to 175p. The trend in other building issues was usually to lower levels, falls of 4 being recorded in Blue Circle, 303p, Tarmac, 219p, and Norwest Holst, 132p. Cement Roadstone, however, continued to respond to the preliminary figures and rose 2 more to 84p.

Among chemicals, ICI, down 8 at 382p, failed to find any encouragement from the full report.

Woolworth pleases
The volume of business in Stores improved considerably yesterday helped by the better-than-expected preliminary results from Woolworth and a large share-placing in Sears. Woolworth closed a penny better at 60p, after 70p, following the surprisingly good figures, Sears softened 1 1/2 to 51p, 24m shares in the company have been placed through the market since Tuesday at a price of around 57p per share with the closure of the share-placing to the sellers of the stock. Elsewhere, the liquidation of speculative positions on the absence of bid developments clipped 6 from Peters at 64p, while Maple shed 2 to 27p on reports that the recent 30p share bid from an, yet unnamed, concerned, has been called off.

Debenhams, however, rose 2 to 88p on prevailing bid hopes and Bakers Household hardened 3 to 102p following the chairman's statement at the AGM. J. Hephworth were marked down 4 to 69p on the late announcement that the company is bidding 75p per share for B. H. Turner, in which dealings were suspended at 48p on Monday; trade in the latter is expected to resume today. Amco Shoes, Stylo fell 10 to 180p.

Racial eased to 205p before recovering to close only a penny lower on the day at 206p. Among the other Electrical leaders, GEC gave up 5 to 368p and Plessey 1 to 140p. Elsewhere, Loois Newmark remained on offer and gave up 10 to 320p. Ferranti eased 7 to 488p, but Dahillier continued to benefit from news of the U.S. Securities and Exchange Commission's decision to allow 10 to 102p. Speculative demand left Mairhead 2 firmer at 192p, after 186p, while BSR eased a penny up at 34p on preliminary results, a little better than expected.

The absence of any early news on the steel strike talks tended to weigh on sentiment in the engineering leaders which followed the general downward trend. Tubes gave up 8 to 236p, while falls of around 5p were marked against GKN, 370p, and Hawker, 172p. John Brown eased 3 to 53p. Once again, the odd share-placing in the latter was limited to a few pence either way. Thomas Rechinson responded to the annual results with an improvement of 2 to 74p. Occasional buyback led RACI to 94p and Frick Lovell, 77p, 23p. On the other hand, Amalgamated Power eased a few pence more to 80p, while Davy Corporation shed 3 to 88p and Derwent a similar amount to 149p.

Leading Foods, Tate and Lyle fell 4 to 140p, as did Associated Dairies, to 180p, while Cadbury Schweppes, annual results tomorrow, lost the turn to 62p and Unigate eased 2 to 130p. Northern, 128p, Kirk-Squire, 85p, and Fitch Lovell, 77p, all shed 2. British Sugar, firm of late on bid hopes following S. and W. Berisford acquisition of a 10 per cent stake, met profit-taking and slipped 5 to 165p, while speculative support was also withdrawn from Bernard Matthews which closed 10 lower at 280p.

Turner and Newall fall
In gently easier tones, Trusthouse Forte, at 175p, lost the previous day's gain of 4, while Grand Metropolitan also lacked support and edged 5 to 177p. Reo Slaks gave up 3 to 60p.

Reflecting acute disappointment with preliminary profits which, at £27m, came more than 25m below the most pessimistic forecasts, Turner and Newall fell away steadily to close with a loss of 18 at 199p. Other miscellaneous industrialists were underpinned by a poor figure but were also aggravated by general nervousness. However, falls at the close were negligible with Boots only 3 off at 188p and Bechtel a couple of pence down at 121p. Rank Organisation moved against the trend, hardening 2 to 214p after the annual meeting. Secondary issues were featured by a fresh improvement of 15 to 180p in Channel Tunnel on hopes that further news and a possible decision on the project will soon be made. Demand to a thin market lifted De La Rue 27 to 652p, while BTR rose 8 to 334p on buying ahead of Monday's annual figures. Portals put on 8 to 262p, and improvements of 4 and 5 respectively were seen in Royal Worcester, 208p, and Office and Electrode, 253p. Dalgely, on the other hand, lost 6 to 272p as did Jardine Matheson, to 141p.

The announcement that News International placed its 25 per cent holding in LWT at 100p on Tuesday at around 120p left the latter 13 lower at 123p. News International added a couple of pence to 165p, while the 140p following the rejection of the London casino licences appeal, but rallied to end 4 easier on balance at 143p after the company announced that it had made a public application to the Court of Appeal. Elsewhere among Leisure issues, Management Agency and Music encountered increased takeover speculation and rose 4 to record a three-day gain of 10 to 140p. BTV added a penny to 96p in front of today's half-term.

Relax-Royce encountered further selling on the reduced preliminary profits and closed 3 1/2 lower at 60p. Other Motors also tended to lower levels. In Distributors, H. Woodward eased 4 to 44p in response to the sharp downturn in annual profits, while Caffyns eased 3 to 180p. Scattered offerings left Components dull with Dunlop losing 3 to 60p. Armstrong Equipment, 46p, and Jonas Woodcock, 86p, another pilot to 22p.

Dealings were resumed in London and Provincial after following the 500p cash per share offer from Reed International for the 82 per cent of the equity it does not already hold; suspended at 257p, dealings in the shares were resumed at 257p and the bid was 475p Reed added a penny to 258p.

Other poster advertising
concerns a double-figure gain in sympathy for the OFFICIAL improving 20 to 140p and Mills and Allen 13 to 316p. Property leaders traded lower with Land Securities closing 3 down at 287p and MEPC 4 easier at 200p.

Siebens rise afresh
Oil shares passed a fairly quiet trading session. The trend was to higher levels at the start, but prices soon fell back in line with the general trend. Awaiting today's preliminary figures, BP closed 8 cheaper at 354p, after 366p, while Shell finished 6 lower at 376p, after 386p. Lasso ended 10 off at 450p and Tritelent 6 down at 294p. Among the more speculative issues, Aram Energy closed 11 lower at 354p following the preliminary figures and proposed rights issue. Against the trend, Siebens (UK) continued the previous day's recovery movement and rallied 50 more to 600p, while Viking Oil improved 1 further to £104 following the counter-bid from Sun Company Inc. of the U.S. to the Deminor offer.

Gold rally
South African Golds staged a good rally after the record falls sustained on Tuesday. A firmer trend in bullion—finally 319 up at 387.50—encouraged the market to bear closing and good investment demand from London and most other international centres.

Share prices rose sharply during the morning when buying interest was at its height. During the lunchtime period, modest profit-taking emerged and caused a minor setback but fresh interest was reported in the afternoon when most issues regained the upward path to close only a fraction below the day's best. The Gold Mines index recouped 12.2 to 310.8.

Among the heavyweights, Durban Deep were outstanding with a rise of £11 to £13, while St. Helena recovered £11 to £13 and East Rand Proprietary £11 to £13. Galgula 1 was commo to £10, £13, East Driefontein, £10, and Western Deep, £10.

The sector included a few weak spots, however, renewed selling depressing West Driefontein 2 more to £20, and Randfontein another point to £20.

Financials remained uncertain. "Anglo" fell £1 to £34 and Union Corporation 10 to 660p, but Anglo American responded to overseas support with a gain of 15 at 555p. De Beers attracted Johannesburg buyers in the wake of the increased dividend and hardened 2 to 432p.

FINANCIAL TIMES STOCK INDICES									
	Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6	Mar. 5	1 year ago
Government Secs.	64.08	64.16	64.15	63.85	63.94	64.31	64.51	70.29	
Fixed Interest	64.83	64.76	64.70	64.70	64.74	64.96	64.96	72.66	
Industrial	444.9	455.6	452.5	455.7	456.0	460.4	460.4	509.3	
Gold Mines	310.8	308.6	337.6	350.3	359.9	364.7	364.7	166.6	
Ord. Div. Yield	7.56	7.42	7.42	7.39	7.39	7.31	7.31	5.48	
Earnings Yld. % (full)	18.00	18.40	18.55	17.27	17.79	17.68	17.68	14.36	
P/E Ratio (net)	6.80	6.85	6.85	6.86	6.86	6.86	6.86	6.86	
Total bargains	19.041	20.284	20.841	25.076	21.555	20.471	119.35		
Equity turnover %	55.37	50.77	186.58	106.68	106.68	106.68	106.68		
Equity bargains total	14,703	16,094	17,788	16,211	16,497	26,024			

10 am 455.5, 11 am 449.2, Noon 440.5, 1 pm 443.2, 2 pm 445.8, 3 pm 445.2.
Latest index 01-246 8025.
* Nil = 5.24.

Basils 100 Govt. Secs. 15/10/76, Fixed Int. 18/22, Industrial Ord. 17/25, Gold Mines 12/9/75, SE Activity July-Dec. 1942.

HIGHS AND LOWS									
	1979/80	Since Comp. Pill'n	Mar. 12	Mar. 11	Mar. 10	Mar. 9	Mar. 8	Mar. 7	Mar. 6
Govt. Secs.	76.91	63.50	137.4	49.13	49.13	49.13	49.13	49.13	49.13
Fixed Int.	77.76	64.16	150.4	50.55	50.55	50.55	50.55	50.55	50.55
Ind. Ord.	569.8	406.5	569.8	49.4	49.4	49.4	49.4	49.4	49.4
Gold Mines	277.9	129.1	442.3	43.5	43.5	43.5	43.5	43.5	43.5

1979/80: High 76.91, Low 63.50, High 137.4, Low 49.13, High 569.8, Low 406.5, High 277.9, Low 129.1.
Since Comp. Pill'n: High 63.50, Low 406.5, High 49.13, Low 43.5, High 50.55, Low 49.4, High 43.5, Low 43.5.

RISES AND FALLS									
	Up	Down	Same	Up	Down	Same	Up	Down	Same
British Funds	4	7	33	4	7	33	4	7	33
Corpor., Dom.	4	7	33	4	7	33	4	7	33
Foreign Bonds	4	7	33	4	7	33	4	7	33
Industrial	156	36	823	156	36	823	156	36	823
Financial and Prop.	30	126	290	30	126	290	30	126	290
Oil	10	20	14	10	20	14	10	20	14
Plantations	4	7	77	4	7	77	4	7	77
Mines	49	41	51	49	41	51	49	41	51
Others	49	41	75	49	41	75	49	41	75
Totals	255	801	1,468	255	801	1,468	255	801	1,468

LONDON TRADED OPTIONS									
	April			July			Dec.		
Option	Exercise price	Closing offer	Vol.	Closing offer	Vol.	Closing offer	Vol.	Equity close	
BP	325	31	3	—	—	—	—	354p	
BP	350	18	26	—	—	—	—	—	
BP	375	10	1	—	—	—	—	—	
BP	400	—	—	24	5	39	9	—	
BP	420	5	10	—	—	—	—	—	
BP	450	—	—	16	4	50	—	—	
Gens. Gold	460	43	16	76	—	79	—	490p	
Gens. Gold	500	24	1	50	2	2	38	—	
Gens. Gold	550	8	—	—	—	—	—	—	
Courtauds	70	3 1/2	—	5	49	1 1/2	—	66p	
Courtauds	80	1 1/2	48	3 1/2	—	5 1/2	—	—	
CEC	330	50	4	66	—	78	—	369p	
CEC	350	25	5	45	—	57	—	—	
CEC	390	10	25	29	6	42	—	—	
ICI	350	37	9	56	—	—	—	361p	
ICI	360	16	26	—	—	48	—	—	
ICI	390	5	4	21	2	33	—	—	
ICI	420	3	—	14	2	24	—	—	
Shell	380	20	5	44	—	54	—	376p	
Shell	390	10	1	39	1	34	1	—	
Shell	420	4	12	12	—	21	—	—	
Totals			200		72		16	—	
	May			August			November		
Booth	190	17	5	25	—	33	—	190p	
EMI	190	15	—	—	—	—	—	145p	
Racal Elec.	200	30	27	39	—	—	—	207p	
Racal Elec.	200	14	5	26	—	58	—	—	
Racal Elec.	230	6	146	17	—	27	—	—	
Racal Elec.	240	5 1/2	—	40	—	—	—	—	
RTZ	310	70	2	47	—	—	—	385p	
RTZ	360	45	7	45	—	—	—	—	
RTZ	400	28	2	47	—	60	—	—	
RTZ	420	15	5	23	—	53	—	—	
RTZ	450	5	3	20	—	29	—	—	
RTZ	500	2	206	12	5	—	—	—	
Total			306		43		3	—	

AUTHORISED UNIT TRUSTS

[illegible]

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited	
P.O. Box 75, St. Helier, Jersey	0534
Albany S.F. Ltd.	1371-1
Next trading March 20.	
Alexander Fund	
100, Victoria Road, Luxembourg	
Alexander Fund	050333-3-121
Next start June 10.	
Allen Hawley & Rouse Inc. (N.Y.C.)	
100, Wall Street, New York	
AIHR Gd.Fd.	1331-11 and
Arbutnot Securities (C.L.) Limited	
P.O. Box 294, St. Helier, Jersey	0534
Arbutnot Securities Ltd.	1371-1
Next trading March 27.	
Carl's Stock Ltd. (C.L.)	
100, Victoria Road, Luxembourg	
Carl's Stock Ltd.	1371-1
Arbutnot Sg.Fd.	1003-13 and 14
Next trading March 27.	
Bank of America International S.A.	
35 Boulevard Royal, Luxembourg G.D.	
Wholesale Investment	050339-105-84
Next trading March 27.	
Bankers' Securities Ltd.	
2, Rue De la Republique 81000 BARRIS	
Bankers' Securities Ltd.	050338-5818-008
Barclays Managers (Gren.) Ltd.	
100, Victoria Road, Luxembourg	
Barclays Int. Fund	0591-1
Next trading March 27.	
Barclays Uniform International	
1, Charles Green, St. Helier, Jersey	05347
Barclays Uniform Int'l	1371-1
Next trading March 27.	
Bankers' Trust	
100, Victoria Road, Luxembourg	
Bankers' Trust	050333-127-04
Next trading March 27.	
Bankers' Trust	
100, Victoria Road, Luxembourg	
Bankers' Trust	050333-127-04
Next trading March 27.	

Continued on previous page

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

Table with multiple columns listing food and grocery items, their prices, and other market data.

HOTELS AND CATERERS

Table listing hotel and catering services, including names, locations, and contact information.

INDUSTRIALS (Misc.)

Table listing various industrial companies and their share prices.

ENGINEERING—Continued

Table listing engineering companies and their share prices.

CHEMICALS, PLASTICS—Cont.

Table listing chemical and plastic companies and their share prices.

BANKS & HP—Continued

Table listing banks and hire purchase companies and their share prices.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rail companies and their share prices.

DRAPERY AND STORES

Table listing drapery and store companies and their share prices.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies and their share prices.

AMERICANS

Table listing American companies and their share prices.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building, timber, and road companies and their share prices.

CANADIANS

Table listing Canadian companies and their share prices.

ELECTRICALS

Table listing electrical companies and their share prices.

BANKS AND HIRE PURCHASE

Table listing banks and hire purchase companies and their share prices.

COMMONWEALTH & AFRICAN LOANS

Table listing commonwealth and African loan companies and their share prices.

Tailor-made for the individual manager. Financial Times advertisement.

BRITISH FUNDS

Table listing British funds and their performance.

INTERNATIONAL BANK CORPORATION LOANS

Table listing international bank corporation loans.

LOANS

Table listing various loan products and rates.

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Vertical text on the left margin, likely a page number or index reference.

FINANCE, LAND—Continued[illegible]

MISCELLANEOUS									
785	Angle-Dominion	135	-29	-	-	-	-	-	-
54	Baryman	82	-2	-	-	-	-	-	-
170	Barna Mines 37.50	34	-18	-	-	-	-	-	-
50	Cons. March 10c	420	+10	Q100c	¢	13c	-	-	-
280	Northeast CSI	435	+5	-	-	-	-	-	-
226	R.T.Z.	595	+1	111.5	3.4	4.3	-	-	-
12	Robert Mines	276	-	-	-	-	-	-	-
26	Sabina Inds. CSI	56	+2	-	-	-	-	-	-
470	Tara Expts. 31c	558	+10	-	-	-	-	-	-

are otherwise indicated, prices and net dividends are in percent. Dividend yields are 25%. Estimated price/earnings ratios and P/B ratios are based on latest annual reports and accounts and, where

are given, adjusted to net of 30 per cent discount for value
based distribution and rights.

term since increased or resumed.
 term since reduced, passed or deferred.
 x-free in non-residents on application.

er allows for conversion of shares not now ranking for dividends

cluding a final dividend declaration.
tional price.

al payment. † Indicated dividend: cover relates to previous
1. P/E ratio based on latest annual earnings. ‡ Forecast
§ cover based on previous year's earnings. ¶ Tax free on to

price dividend passed or deferred. C Canadian, E Minimum price, F Dividend and yield based on prospectus or other official source, G Dividend on 12-month dividend and yield after

Notes: 1) ex dividend; 2) ex scrip issue; 3) ex rights; 4) ex capital distribution.

... is a selection of London quotations of shares previously
... in regional markets. Prices of Irish issues, most of which are

80	Concrete Prods.	88
25	Hetton (Higs.)	35
16		

Unit	165	Unit	103
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1.1	Interest	3	Property
1.2	Loans	15	

17	"Lett's"	31 1/2	MEPC	17
26	London Brick	6	Peachey	13
25	Lucas Inds.	32 3/4	Samuel Pons	12

12	25	38
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20	33	46
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24	37	50

22	Tabl Invest.	27	Cons. Gold	32
15	Unlever	40	Lowrho	12
12	U.D.T.	4	Rio T. Zinc	35

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